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14 **E-FILED: October 1, 2012**

15 **UNITED STATES BANKRUPTCY COURT**
 16 **DISTRICT OF NEVADA**

In re: ARVIND AGARWAL and ALKA AGARWAL, Debtors.	Case No. 11-17763-lbr Chapter 11 Hearing date: October 17, 2012 Time: 2:30pm
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17 **SECOND AMENDED DISCLOSURE STATEMENT PROPOSED BY ARVIND AND**
 18 **ALKA AGARWAL**

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2 **INITIAL WARNINGS AND DISCLAIMERS:**
3

4 **WARNING:**
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6 **ONLY THE CONFIRMED PLAN WILL CONTROL YOUR RIGHTS AND THE
7 RIGHTS OF THE DEBTOR. WHERE THE DISCLOSURE STATEMENT AND THE
8 PLAN CONFLICT, THE PLAN SHALL CONTROL.**

9 **YOUR RIGHTS MAY BE AFFECTED. YOU SHOULD READ THE PLAN
10 TOGETHER WITH THIS DISCLOSURE STATEMENT CAREFULLY AND DISCUSS
11 THEM WITH YOUR ATTORNEY. IF YOU DO NOT HAVE AN ATTORNEY, YOU MAY
12 WISH TO CONSULT ONE.**

13 **DISCLAIMER:**
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15 **THE COURT APPROVED THIS DISCLOSURE STATEMENT AS CONTAINING
16 ADEQUATE INFORMATION TO ENABLE PARTIES AFFECTED BY THE PLAN TO
17 MAKE AN INFORMED DECISION ABOUT ITS TERMS. THE COURT HAS NOT YET
18 DETERMINED WHETHER THE PLAN MEETS THE LEGAL REQUIREMENTS FOR
19 CONFIRMATION, AND THE FACT THAT THE COURT APPROVES THIS
20 DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN ENDORSEMENT OF THE
21 PLAN BY THE COURT, OR A RECOMMENDATION THAT IT BE ACCEPTED.**

22 **DISCLAIMER**
23

24 **THIS DISCLOSURE STATEMENT IS FOR ILLUSTRATIVE PURPOSES ONLY
25 SO AS TO PROVIDE YOU WITH SUFFICIENT INFORMATION SO THAT YOU MAY
26 MAKE REASONABLY INFORMED DECISION AS TO YOUR RIGHTS AND AS TO THE
27 PLAN. THIS DISCLOSURE STATEMENT WILL NOT BIND IN ANY WAY THE
28 DEBTOR TO ANY COURSE OF ACTION AND IS NOT A CONTRACT OR
AGREEMENT OF ANY KIND.**

29 **II. INTRODUCTION:**
30

31 **This is the Disclosure Statement (“Disclosure Statement”) in the Chapter 11 case of
32 ARVIND and ALKA AGARWAL (“Debtors”). The purpose of this Disclosure Statement is to fully
33 inform you about the Debtor, the Debtor’s Plan of Reorganization (“Plan”) and your rights so that
34 you may have the necessary information to make decisions regarding your right in relation to the
35 Debtor and his Plan. A full copy of the Plan is attached to this Disclosure Statement as Exhibit A.
36 **SEE EXHIBIT A-THE DEBTOR’S PLAN OF REORGANIZATION.****

37 **The proposed distributions under the Plan are discussed at pages 7 through 17 of this
38 Disclosure Statement.**

39 **A. SUMMARY OF PROPOSED DISTRIBUTIONS:**

1 Debtor's retaining security interests in real property will be paid at the current valuation of
 2 their secured claim at the interest that was binding on the date of the contract. Priority claims will
 3 be paid in full over 60 months. Unsecured claims will receive a pro rata distribution of disposable
 4 income for a period of 5 years. The monthly distribution of disposable income varies depending on
 5 the status of the Debtor's asset 537 Calcaterra Circle, Las Vegas, NV 89119 at the time of plan
 6 confirmation. A portion of the disposable income will be used to be priority tax claims as outlined
 7 in the plan as well a priority administrative expenses.

8 This Disclosure Statement describes:

9 1. The Debtor an significant events during the bankruptcy case;
 10 2. How the Plan proposes to treat claim or equity interest of the type you hold (i.e. what
 11 you will receive on your claim or equity interest if the plan is confirmed),
 12 3. Who can vote on or object to the Plan;
 13 4. What factors the Bankruptcy Court (the "Court") will consider when deciding
 14 whether to confirm the Plan;
 15 5. Why ARVIND and ALKA AGARWAL believe the Plan is feasible, and how the
 16 treatment of your claim or equity interest under the Plan compares to what you would
 17 receive on your claim or equity interest in liquidation; and
 18 6. The effect of confirmation of the Plan.

19 **B. THE PURPOSE OF THIS DISCLOSURE STATEMENT AND THE PURPOSE
 20 OF THE PLAN OF REORGANIZATION.**

21 The purpose of this Disclosure Statement is to provide adequate information to enable the
 22 parties affected by the Plan to make reasonably informed decision as to the term of the Plan. This
 23 Disclosure Statement clarifies how the Plan proposes to treat your claim, and it describes your right
 24 in the Plan and your rights in this bankruptcy process. It describes the Debtor's financial
 25 circumstances and the significant events during the bankruptcy case. It clarifies how the Plan
 26 proposes to treat your claim (e.g. what you will receive for your claim when the Plan is confirmed).
 27 It describes who can vote or object to the Plan. It describes what factors the Bankruptcy Court
 28 ("Court") will consider when deciding whether or not to confirm the Plan. It describes how and why
 29 the Plan is feasible, and how your treatment under the Plan compares to what you would receive for
 30 your claim in a hypothetical liquidation. Finally, it describes the effect of the confirmation of the
 31 Plan.

32 Please note: THIS DISCLOSURE STATEMENT DESCRIBES THE PLAN. **BUT IT IS
 33 THE CONFIRMED PLAN ITSELF THAT WILL ESTABLISH AND CONTROL YOUR
 34 RIGHTS.** Where the Plan and the Disclosure statements conflict, the Plan controls and supercedes
 35 the Disclosure Statement. **BE SURE TO READ THE PLAN CAREFULLY.**

36 The purpose of the Plan is to set forth the legally binding terms, rights, and treatments of
 37 claims in the Debtor's reorganization. As required by the Bankruptcy Code, the Plan places claims
 38 in separate classes and describes the treatment each class will receive. The Plan also state whether
 39 each class of claims is impair or unimpaired. Your recovery and rights are set forth and established
 40 by the Plan.

41 **III. DESCRIPTION OF THE DEBTOR'S BUSINESS**

42 **A. THE LEGAL TYPE OF BUSINESS ENTITY/ MANAGEMENT OF THE DEBTOR**

1 **BEFORE AND DURING THE BANKRUPTCY.**

2 _____ Under the law, the Debtor's (husband and wife) together are considered as one single
 3 individual person. The Debtor's estate is to be treated as a sole proprietorship wherein the Debtors
 4 are unified as one single individual for assets and debts acquired during their marriage. In some
 5 cases, the Debtors may each be considered separate entities for assets and debts acquired before their
 6 marriage. There are no officers, directors, or managers other than the Debtors.

7 During the period to the date on which the Debtor's filed the bankruptcy, the Debtors
 8 operated as sole proprietors. During this bankruptcy until the confirmation of the Plan, the Debtors
 9 will continue to manage their business as a sole proprietorship. After the effective date of the order
 10 confirming the Plan, the Debtors will continue to manage their business.

11 **B. DESCRIPTION AND HISTORY OF THE DEBTOR'S BUSINESS**

12 _____ The Debtors are in the business of renting residential real properties to Las Vegas area tenants
 13 for the tenants living quarters. Alka Agarwal is currently employed at Macy's and makes
 14 approximately \$1,600.00 per month. *See Ex. 1.* Arvind Agarwal is currently unemployed however
 15 he is actively searching for other employment opportunities. *See Ex. 2* This constitutes the entirety
 16 of the Debtor's Business and these sources are all the sources of the Debtors' income. As an
 17 individual, the Debtors do not have any insiders with exception of themselves.

18 **C. CURRENT AND HISTORICAL EVENTS AND CONDITIONS**

19 **i. IDENTITY AND FAIR MARKET VALUE OF THE DEBTOR'S ASSETS:**

20 _____ The identity and fair market value of the estate's assets are listed in **Exhibit B**. The value
 21 of the assets is based on the appraisals performed for each property and updated if necessary in
 22 connection with the approval of the Plan. Copies of the appraisals are available upon request. If an
 23 asset's value is being reduced further since the Motions to Value, then appraisals were forwarded
 24 to each secured lender in this case with respect to the related collateral. In addition, the Debtor
 25 reserves the right to re-appraise the properties prior to confirmation of the plan to reflect the value
 26 of the home at that time. Therefore, if you are a secured lender, your secured claim may change in
 27 connection with confirmation of the Plan if the value of your collateral has fallen since the approval
 28 of the Motion to Val

29 **If you are a secured creditor and intend to object to any revised valuation of your
 30 collateral based on a reappraisal, you must file an objection to the Plan. Upon request, the
 31 Debtor will provide copies of the appraisals of his properties to secured creditors who have
 32 interest in the properties.**

33 **ii. FINANCIAL STATEMENTS:**

34 The Debtor's Monthly Operating Reports through the pendency of this case are attached
 35 hereto as Exhibit "H".

36 **iii. EVENTS LEADING TO DEBTOR'S CHAPTER 11 FILING:**

37 _____ The general downturn in the Las Vegas Real Estate and Rental Market ultimately lead to
 38 Debtor's Chapter 11 filing. The rental market was no longer lucrative enough to allow debtor to

1 cover their monthly expenses concerning his investment properties. Furthermore two (2) of the
 2 Debtor's commercial apartment complexes (537 and 529 Calcaterra Circle, Las Vegas, NV) were
 3 severely vandalized. Debtor is currently involved in contentious insurance litigation over 529
 4 Calcaterra Circle and has settled out of court concerning 537 Calcaterra Circle. However prior to
 5 the filing of this bankruptcy; the Debtor was unable to meet his debt obligations due to these 2 units
 6 being uninhabitable.

7 **iv. SIGNIFICANT EVENTS DURING THE BANKRUPTCY CASE:**

8 _____ The following is a recount of the significant event which occurred through the course of the
 9 Debtor's Bankruptcy.

- 10 1. On or about May 19, 2011 Debtor filed a voluntary Chapter 13 Petition with this Honorable
 11 Court. *See Doc 1*
- 12 2. On or about July 13, 2011 Bank of the West filed a Motion for Relief from Stay against the
 13 Debtor's primary residence.
- 14 3. Following this, Debtor's filed a Motion to Convert from Chapter 13 to Chapter 11. *See Doc 26*
- 15 4. Debtor's also employed Special Counsel William Dresser to litigate several outstanding
 16 insurance claims. *See Doc 30*
- 17 5. Debtor's case was converted from a Chapter 13 to a Chapter 11 on or about September 12,
 18 2011. *See Doc 44*
- 19 6. Debtor and Debtor's counsel attend the 341 Meeting of the Creditors on or about October
 20 13, 2011.
- 21 7. Debtor's Counsel, Matthew Q. Callister, Esq
- 22 8. Debtor's Counsel filed Motion to Value Debtor's Real Property on or about October 12,
 23 2011 *See Doc 63, 64, 65, 66, & 67*.
- 24 9. U.S. Bank filed a Motion for Relief from Stay on or about June 8, 2012
- 25 10. Debtor's Counsel filed an opposition on or about June 27, 2012.
- 26 11. Debtor's also filed a Motion to Approve Settlement Agreement and Motion to Use Cash
 27 Collateral stemming from a settlement of an insurance dispute by Special Counsel William
 28 Dresser, Esq.
12. Debtor's filed a Motion to Use Cash Collateral on or about July 5, 2012.
13. Debtor's Counsel filed an Interim Status Report on July 6, 2012.
14. U.S. Bank's Motion for Relief from stay was granted on July 17, 2012. *See Doc 149*
15. Debtor's withdrew their Motion to Approve Settlement Agreement and Motion to Use Cash
 16 Collateral due to a change in factual circumstances on or about August 8, 2012. *See Doc 168, 169*.
17. Debtor's filed a Motion to Value Collateral on 537 Calcaterra Circle, Las Vegas Nevada on
 18 or about August 24, 2012 set for hearing on September 26, 2012. *See 176*.
19. Debtor's filed an Interim Application for Compensation for Callister & Associates on or
 20 about September 10, 2012 for \$33,166.25 in fees and \$2,693.55 in costs. *See 182*
21. Debtor's motion for Use of Cash Collateral was granted in part and denied in part.
22. U.S. Bank filed a opposition to Debtor's Motion to Value on or about September 12, 2012.
23. U.S. Bank filed an objection to the Debtor's First Disclosure Statement on or about
 24 September 12, 2012. *See Doc 187*.

IV. DEFINITION AND TREATMENT OF CLAIMS WITHIN THE PLAN.

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2 **A. CLASS OF CLAIMS AND THEIR TREATMENT UNDER THE PLAN:**

3 _____ The following are the classes set forth in the Plan, and the proposed treatment that they will
 4 receive under the Plan. For a detailed analysis and description of the individual claims within each
 5 class, **see Exhibit A Plan of Reorganization.**

6 **i. CLASSES OF SECURED CLAIMS:**

7 _____ Allowed secured claims are claims secured by property of the Debtor's bankruptcy estate (or
 8 that are subject to set off) to the extent allowed as a secured claim under 11 USC 506. If the value
 9 of the collateral or setoff securing the creditor's claim is less than the amount of the creditor's
 10 allowed claim the deficiency will be classified as an unsecured claim in Class 10. All secured claims
 11 are placed in separate classes pursuant to rulings under the common law. *In re Keck, Mahin & Cate*
 12 241 B.R. 583, 590 (Bankr. N.D. Ill 1999)

13 **1. CLASS 1: THE ALLOWED AND IMPAIRED CLAIM OF CITY
 14 NATIONAL BANK ON DEBTOR'S INVESTMENT PROPERTY
 15 LOCATED AT 529 CALCETERRA CIRCLE, LAS VEGAS, NV 89119**

16 Class 1 consists of the mortgages secured by the Debtor's investment properties which the
 17 debtor will retain. For convenience and clarity Class 1 is divided in subclasses and will be entitled
 18 to vote on the plan as they are impaired.

19 The remainder of the Class 1 claim that is not secured will be unsecured and treated as a
 20 Class 10 general unsecured claim. Class 1 is an impaired class. Therefore, the holder of the Class
 21 1 claim is entitled to vote to accept or reject the Plan. A summation of class treatment is as follows:

Class #:	Description of Claim:	Impairment	Treatment Under the Debtor's Plan of Reorganization:
1.	<p>Secured Claim of City National Bank on the Debtor's Investment Real Property.</p> <p>Allowed Secured Amount: \$95,000.00</p> <p>Prepetition Arrearage and Cure Payment: \$0.00</p>	Impaired	<p>Property 1: 529 Calcaterra Circle Las Vegas, NV 89119</p> <p>Principal Balance of \$95,000.00 with a 5.00% fixed interest rate and taxes and insurance impounded.</p> <p>Mortgage Payment of \$787.80 with taxes and insurance impounded</p>

27 **2. CLASS 2: THE ALLOWED AND IMPAIRED CLAIM OF U.S. BANK ON
 28 DEBTOR'S INVESTMENT PROPERTY LOCATED AT 537 CALCETERRA
 29 CIRCLE, LAS VEGAS, NV 89119**

30 Class 2 consists of the mortgages secured by the Debtor's investment property at 537

1 Calcaterra Circle, Las Vegas, NV which the debtor will retain.

2 The remainder of the Class 2 claim that is not secured will be unsecured and treated as a
 3 Class 10 general unsecured claim. It is important to note that the automatic stay on this particular
 4 asset has been lifted and furthermore the asset is subject to a valuation dispute. In the interest of
 5 clarity Debtor outlines two potential plan treatments based on (1) the Debtor's valuation; and (2) the
 6 Creditor's Valuation. Furthermore given the fact that there is a pending foreclosure proceeding it
 7 is highly possible that the income and related expenses relating expenses may not be part of this plan
 8 of reorganization. In event the asset is lost both Exhibit "D" (the Cash Flow Analysis) and Class 10
 9 (Unsecured Creditor Claims) will be altered. Based on these facts, Debtor has attached hereto 3
 10 different possible Cash Flow analysis stemming from this property based on (1) the Debtor's
 11 Valuation; (2) the Secured Creditor's Valuation; and (3) a loss of the asset completely. As such
 12 Debtor lists three potential plan treatments for the asset based on three possibly contingencies as
 13 follows:

14 a. **Potential Treatment #1; Retention of Asset, Valuation Based on Debtor's**
 15 **Appraisal**

16 Class #:	17 Description of Claim:	18 Impairment	19 Treatment Under the 20 Debtor's Plan of 21 Reorganization:
22 2(a).	23 Secured Claims of the Debtor's 24 Investment Real Property. 25 Allowed Secured Amount: 26 \$95,000 27 Prepetition Arrearage and Cure 28 Payment: \$0.00	29 Impaired	30 Property 2: 31 537 Calcaterra Circle 32 Las Vegas, NV 89119 33 Principal Balance of 34 \$95,000.00 with a 5.00% 35 fixed interest rate and taxes 36 and insurance impounded. 37 Mortgage Payment of 38 \$797.69 with taxes and 39 insurance impounded

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5 **b. Potential Treatment #2; Retention of Asset, Valuation Based on Secured**
 6 **Creditor's Appraisal**

5 Class #:	6 Description of Claim:	7 Impairment	8 Treatment Under the 9 Debtor's Plan of 10 Reorganization:
11 2(b).	12 Secured Claims of the Debtor's 13 Investment Real Property. 14 Allowed Secured Amount: 15 \$140,000.00 16 Prepetition Arrearage and Cure 17 Payment: \$0.00	18 Impaired	19 Property 2: 20 537 Calcaterra Circle 21 Las Vegas, NV 89119 22 Principal Balance of 23 \$140,000.00 with a 5.00% 24 fixed interest rate and taxes 25 and insurance impounded. 26 Mortgage Payment of 27 \$1,039.69 with taxes and 28 insurance impounded

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16 **c. Potential Treatment #3; Loss of Asset**

17 Class #:	18 Description of Claim:	19 Impairment	20 Treatment Under the 21 Debtor's Plan of 22 Reorganization:
23 2(c).	24 Secured Claims of the Debtor's 25 Investment Real Property. 26 Allowed Secured Amount: 27 \$140,000.00 28 Prepetition Arrearage and Cure 29 Payment: \$0.00	30 Impaired	31 Property 2: 32 537 Calcaterra Circle 33 Las Vegas, NV 89119 34 Property Sold at Foreclosure; 35 Deficiency Treated as 36 Unsecured Debt and Paid Pro 37 Rata in Class 10.

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31 **3. CLASS 3: THE ALLOWED AND IMPAIRED CLAIM OF BANK OF AMERICA,
 32 SUCCESSOR BY MERGER TO BAC HOME LOANS SERVICING ON DEBTOR'S
 33 INVESTMENT PROPERTY LOCATED AT 3370 SOUTH PECOS RD. LAS VEGAS,
 34 NV**

35 Class 3 consists of the mortgages secured by the Debtor's investment property at 3370 South
 36 Pecos Rd., Las Vegas, NV which the debtor will retain.

37 The remainder of the Class 3 claim that is not secured will be unsecured and treated as a

1 Class 10 general unsecured claim. Class 1 is an impaired class. Therefore, the holder of the Class
 2 3 claim is entitled to vote to accept or reject the Plan. A summation of class treatment is as follows

Class #:	Description of Claim:	Impairment	Treatment Under the Debtor's Plan of Reorganization:
3.	Secured Claims of the Debtor's Investment Real Property. Allowed Secured Amount: \$94,000.00 Prepetition Arrearage and Cure Payment: \$0.00	Impaired	Property 3: 3370 South Pecos Rd. Las Vegas, NV Principal Balance of \$94,000.00 with a 5.00% fixed interest rate and taxes and insurance impounded. Mortgage Payment of \$623.66 with taxes and insurance impounded

4. **CLASS 4: THE ALLOWED AND IMPAIRED CLAIM OF BAC HOME LOANS SERVICING ON DEBTOR'S INVESTMENT PROPERTY LOCATED AT 1852 ARBOL VERDE WAY, LAS VEGAS, NV 89119**

Class 4 consists of the mortgages secured by the Debtor's investment property at 1852 Arbol Verde Rd., Las Vegas, NV which the debtor will retain.

The remainder of the Class 4 claim that is not secured will be unsecured and treated as a Class 10 general unsecured claim. Class 1 is an impaired class. Therefore, the holder of the Class 4 claim is entitled to vote to accept or reject the Plan. A summation of class treatment is as follows:

Class #:	Description of Claim:	Impairment	Treatment Under the Debtor's Plan of Reorganization:
4.	Secured Claims of the Debtor's Investment Real Property. Allowed Secured Amount: \$44,000.00 Prepetition Arrearage and Cure Payment: \$0.00	Impaired	Property 4: 1852 Arbol Verde Way Las Vegas, NV 89119 Principal Balance of \$44,000.00 with a 5.00% fixed interest rate and taxes and insurance impounded. Mortgage Payment of \$335.90 with taxes and insurance impounded

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 2 **5. CLASS 5: THE ALLOWED AND IMPAIRED CLAIM OF BANK OF AMERICA,**
 3 **N.A. ON DEBTOR'S INVESTMENT PROPERTY LOCATED AT 3939 GREENLEAF**
 4 **DR., LAS VEGAS, NV 89120**

5 Class 4 consists of the mortgages secured by the Debtor's investment property 3939
 6 GREENLEAF DR. which the debtor will retain.

7 The remainder of the Class 4 claim that is not secured will be unsecured and treated as a
 8 Class 10 general unsecured claim. Class 1 is an impaired class. Therefore, the holder of the Class
 9 4 claim is entitled to vote to accept or reject the Plan. A summation of class treatment is as follows

7 Class #:	8 Description of Claim:	9 Impairment	10 Treatment Under the 11 Debtor's Plan of 12 Reorganization:
13 5.	14 Secured Claims of the Debtor's 15 Investment Real Property. 16 Allowed Secured Amount: 17 \$100,000.00 18 Prepetition Arrearage and Cure 19 Payment: \$0.00	20 Impaired	21 Property 5: 22 3939 Greenleaf Drive 23 Las Vegas, NV 89120 24 Principal Balance of 25 \$100,000.00 with a 5.00% 26 fixed interest rate and taxes 27 and insurance impounded. 28 Mortgage Payment of 29 \$677.70 with taxes and 30 insurance impounded

18 **6. CLASS 6- SECURED CLAIM OF AURORA LOAN SERVICES, LLC ON DEBTOR'S**
 19 **PRIMARY RESIDENCE**

20 Class 6 consists of the first mortgage secured by the debtor's primary residence commonly
 21 known as 1582 Galena Dr., San Jose, CA 95121. This particular Debt is fully secured and will be
 22 paid according to the pre petition loan agreement

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3 Class #:	4 Description of 5 Claim:	6 Impairment	7 Treatment Under 8 the Debtor's Plan of 9 Reorganization:
10 6	11 Secured Claims of 12 the Debtor's 13 Investment Real 14 Property. 15 Valuation: 16 \$325,000.00 17 Allowed Secured 18 Amount: 19 \$205,548.19 20 Prepetition Arrearage 21 and Cure Payment: 22 \$0.00	23 Impaired	24 1582 Galena Dr. 25 San Jose, CA 95121 26 New Principal 27 Balance of 28 \$205,548.19 with a 15.00% fixed interest 16 rate and taxes and 17 insurance 18 impounded. Any 19 arrears will be added 20 to the principal 21 balance and paid over 22 the life of the loan 23 thereby extending the 24 term. 25 Mortgage Payment of 26 \$2,156.84 with taxes 27 and insurance 28 impounded

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3 **7. CLASS 7- SECURED CLAIM OF BANK OF THE WEST ON DEBTOR'S PRIMARY
4 RESIDENCE**5 Class 7 consists of the second mortgage secured by the debtor's primary residence commonly
6 known as 1582 Galena Dr., San Jose, CA 95121

7 Class #:	8 Description of 9 Claim:	10 Impairment	11 Treatment Under the 12 Debtor's Plan of 13 Reorganization:
14 7.	15 Secured Claims of 16 Bank of the West on 17 the Debtor's Primary 18 Residence. 19 Valuation: 20 \$325,000.00 21 Allowed Secured 22 Amount: 23 \$191,610.21 24 Prepetition Arrearage 25 and Cure Payment: 26 \$0.00	27 Impaired	28 1582 Galena Dr. 29 San Jose, CA 95121 30 Paid according to the 31 terms of the pre- 32 petition contract. 33 Mortgage Payment of 34 \$667.74

17 **8. CLASS 8- SECURED CLAIM OF REPUBLIC SERVICES**18 Class 8 is the secured claim of Republic Services. This claim will be paid in full over 60
19 months.

20 Class #:	21 Description of 22 Claim:	23 Impairment	24 Treatment Under 25 the Debtor's Plan of 26 Reorganization:
27 8.	28 Secured Claim of 29 Republic Service 30 Amount: \$316.76	31 Impaired	32 Paid \$5.27 a Month 33 for 60 34 Months until Paid in 35 Full

25 **9. CLASS 9- SECURED CLAIM OF GREENTREE HOMEOWNERS ASSOCIATION**27 Class 9 is the secured claim of Greentree Homeowners Associations against the Debtor's real
28 property located at 1852 Arbol Verde, Las Vegas, NV. This claim will be paid in full over 5 years
as outlined below.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	Class #:	Description of Claim:	Impairment	Treatment Under the Debtor's Plan of Reorganization:
	9.	Secured Claim of Greentree Homeowners Association Amount: \$14,252.52	Impaired	Paid \$237.55 a Month for 60 Months until Paid in Full

ii. **CLASSES OF UNSECURED CLAIMS:**

10. CLAIMS OF GENERAL UNSECURED CREDITORS

General unsecured claims are not secured by property of the estate and are not entitled to priority under Section 507(a) of the Bankruptcy Code.

The following chart identifies the Plan's proposed treatment of Class Number 3 claims which contains the general unsecured claims against the Debtor. The Class Treatment of this claim is divided into Sub parts to account for the potential contingencies surrounding claims in Class 2. Depending on the status of Class 2 claims and assets; the payments under Debtor's plan of reorganization to unsecured creditors may vary. As such Debtor lists disbursal to unsecured creditors based on the following scenarios: (1) if Class 2 assets are retained at Debtor's valuation; (2) if Class 2 assets as retained at the secured creditors valuation; and (3) if Class 2 assets are lost at foreclosure sale.

a. **Potential Treatment #1; Retention of Class 2 Asset and Valuation Based on the Debtor's Appraisal**

19 20 21 22 23 24 25 26 27 28	Class #	Description	Impairment	Treatment
	10(a).	General Unsecured Class, which include the unsecured portion of the Debtor's first and second lien holders	Impaired	Monthly Payment for the First 6 Months of the Plan= \$283.79 Monthly Payment of \$392.13 for remaining 54 Months ¹

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¹The Monthly Payment fluctuates due to the fact that Debtor cannot motion to close the case until 180 days after confirmation. Until such time as Debtor is able to close the case, Debtor must account for U.S. Trustee Fees.

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5 **b. Potential Treatment #2; Retention of Class 2 Asset and Valuation Based on the**
6 Secured Creditor's Appraisal

7 Class #	8 Description	9 Impairment	10 Treatment
11 10(b).	12 General Unsecured 13 Class, which include 14 the unsecured portion 15 of the Debtor's first 16 and second lien 17 holders	18 Impaired	19 Monthly Payment for the 20 First 6 Months of the Plan= \$41.19 21 Monthly Payment of \$149.53 for remaining 54 Months ²

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23 **c. Potential Treatment #3; Loss of Class 2 Asset**

24 Class #	25 Description	26 Impairment	27 Treatment
28 10(c).	29 General Unsecured 30 Class, which include 31 the unsecured portion 32 of the Debtor's first 33 and second lien 34 holders	35 Impaired	36 Monthly Payment for the 37 First 6 Months of the Plan= \$0.00 38 Monthly Payment of \$64.22 for remaining 54 Months ³

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40 **11. CLAIM OF CITY NATIONAL BANK AS TO DEBTOR'S INTEREST IN PENDING**
41 FEDERAL CASE 2:11-cv-01384-LDG-CWH AGARWAL ET AL. V. OREGON
42 MUTUAL INSURANCE COMPANY

43 Debtor is currently litigating a case in federal court concerning payout on an insurance policy
 44 stemming from the alleged vandalism of his property. Under City National Bank's note and deed
 45 of trustee City National is listed as the loss payee on the subject property 529 Calcaterra Circle, Las
 46 Vegas, NV. At the time of this filing, a Motion for Summary Judgment by Oregon Mutual Insurance
 47 Company had been filed in the case and is still pending. If the case should turn out to bring property

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49 ²The Monthly Payment fluctuates due to the fact that Debtor cannot motion to close the
 50 case until 180 days after confirmation. Until such time as Debtor is able to close the case, Debtor
 51 must account for U.S. Trustee Fees.

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53 ³The Monthly Payment fluctuates due to the fact that Debtor cannot motion to close the
 54 case until 180 days after confirmation. Until such time as Debtor is able to close the case, Debtor
 55 must account for U.S. Trustee Fees.

1 into the bankruptcy estate either via settlement and/ or judgment then treatment will be as follows:

2 Class #	3 Description	4 Impairment	5 Treatment
6 11	7 Interest of City 8 National Bank as to 9 Debtor's Interest in 10 Federal Case 2:11- 11 cv-01384-LDG- 12 CWH	13 Impaired	14 Debtor will deposit funds 15 from the settlement into a 16 control account and will be 17 allowed to expense the 18 account for any of his 19 personal funds he may have 20 used to rehabilitate 529 21 Calcaterra Circle.

9 **iii. EQUITY INTEREST OF THE DEBTOR:**

10 Equity interest holders are parties who hold an ownership interest (i.e. equity interest) in a
11 corporation, entities holding preferred or common stock are equity interest holders. In a partnership,
12 equity interest holder are the members. Finally with respect to an individual who is a debtor, the
13 Debtor is the equity interest holder.

14 In this case, because the Debtor is an individual therefore there are no equity interests that
15 must be accounted for.

16 **iv. UNCLASSIFIED CLAIMS**

17 Under section 1123(a)(1), administrative expense claims, and priority tax claims are not in
18 classes and are automatically entitled to specific treatment under the Code. They are not considered
19 impaired, and holders of such claims do not vote on the Plan. They may, however, object if, in their
20 view, their treatment under the Plan does not comply with that required by the Code.

21 **1. ADMINISTRATIVE EXPENSES:**

22 Administrative expenses are costs or expenses of administering the Debtor's Chapter 11 case
23 including U.S. Trustee fees which are allowed under section 507(a)(2) of the Bankruptcy Code.
24 Administrative expenses also include all business operations costs in the ordinary course of business
25 that accrued after the Debtor filed for bankruptcy. Administrative expenses include costs and
attorneys' fees of employing professionals, including Callister & Associates, LLC, that accrue after
the Debtor filed for bankruptcy. As required by the Bankruptcy Code, the Debtor will pay all
administrative expenses on the effective date of the Plan, unless a particular claimant agrees to a
different treatment. The following chart lists the Debtor's estimated administrative expenses and
their proposed treatment under the Plan:

26 TYPE	27 ESTIMATED AMOUNT OWED	28 PROPOSED TREATMENT
Expenses Arising in the Ordinary Course of Business after the petition Date	Current as of the date of filing of the Disclosure Statement.	Paid in full on the effective date of the Plan or according to terms of obligation if later.

1	Professional Fees, as approved by the court	Estimated to be \$35,000.00	Partially paid via a prepetition retainer of \$7,200.00
2			The remaining balance of \$27,800.00 is to be paid through the Debtor's plan of reorganization. Estimated monthly payment of \$463.34 for 60 months. ¹
3			
4			
5			
6			
7			
8	Clerk's Office Fees	\$0.00	Paid in full on the effective date of the Plan.
9			
10	Office of the U.S. Trustee Fees	\$0.00	Paid in full on the effective date of the Plan
11	TOTAL	Estimated to be \$35,000	

2. PRIORITY TAX CLAIMS:

Priority tax claims are unsecured income employment, and other taxes described by Section 507(a)(8) of the Bankruptcy Code. Unless the holder of such a Section 507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim, in regular installments paid over a period not exceeding 5 years from the order of relief.

This Debtor has the following priority tax claims:

Creditor	Amount of Claim	Proposed Plan Treatment
Internal Revenue Service P.O. Box 7346 Philadelphia, PA 19101	\$3,513.60	Paid in full over 60 months with a Plan Payment of \$58.56 a Month
Internal Revenue Service P.O. Box 7346 Philadelphia, PA 19101	\$410.86	Paid in Full Over 60 Months with a Monthly Plan Payment of \$6.85
Clark County Treasurer 500 South Grand Central Pkwy PO Box 551220 Las Vegas, NV 89155	\$5,597.75	Paid in Full over 60 Months with a Monthly Plan Payment of \$93.30

¹Debtor's attorney services are ongoing and it is expected that this number will increase over time based on approved Application for Compensation.

Clark County Assessor P.O. Box 551401 Las Vegas, NV 89155	\$67.82	Paid in Full at the Outset of the Plan
-----------------------------------------------------------------	---------	-------------------------------------------

v. TREATMENT OF EXECUTORY CONTRACT/ UNEXPIRED LEASES:

The Debtor may assume or reject pre-petition executory contracts and/ or unexpired leases: If the Debtor assumes an executory contract and/ or unexpired lease, the contract or lease will remain binding from the effective date of the confirmed Plan moving forward. If the Debtor rejects any executory contract and/ or unexpired lease, the contract or lease is voided. The Debtor can, however, modify a lease if the other party-in-interest agrees to modification subject to Court approval. If the Debtor has pre-petition arrears for any unexpired lease or executory contract, those arrears will be treated as Class 3 General Unsecured Creditors. IF the Debtor owes money for post-petition use of objects or property burdened by the executory contract/ unexpired lease, the creditor can make a claim for such monies. WE SUGGEST THAT YOU CONSULT A QUALIFIED ATTORNEY IF YOU WISH TO LODGE A CLAIM FOR SUCH POST-PETITION DEBT.

The Debtor assumes all residential lease with tenants who rent the Debtor's residential investment properties.

For a list of the Debtor's Executory Contract and Unexpired Lease, please see **Exhibit E**. This exhibit also describes how the executory contracts and unexpired lease are to be treated. Consult your attorney for more specific information about particular contracts or leases.

If you object to the assumption of your unexpired or executory contract, the proposed cure of any defaults, or the adequacy of assurance of performance, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan, unless the Court sets an earlier time.

If you object to the rejection of your contract or lease, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan. Any claim based on the rejection of a contract or lease will be barred if a proof of claim is not timely filed, unless the Court orders otherwise.

**B. ALLOWANCE OR DISALLOWANCE OF CLAIMS/ CLAIMS
OBJECTIONS:**

Generally, a claim is allowed if either (A) the Debtor has scheduled the claim on her schedules, unless the claim has been scheduled as dispute, contingent, or un-liquidated, or (B) the creditor has filed a proof of claim, unless an objection has been filed to such proof of claim by the Debtor, in which case, such creditor cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure. Under 11USC §502(g), claims arising from the rejection or non-assumption of an executory contract or lease are allowed if the claim had arisen before the date of the filing of the petition.

i. PROOFS-OF-CLAIMS:

A creditor may file a proof-of-claim that sets out its claim against the Debtor. If you claim is listed in the Debtor's Schedules of Liabilities, and you agree with the claim amount listed there,

1 you not need to file a proof-of-claim in the case. If the Debtor amends the Schedules of Liabilities
 2 and your claim is affected, you will have an opportunity to file an objection to any such change.

3 **ii. CLAIMS OBJECTIONS**

4 **1. FILING A CLAIMS OBJECTION:**

5 Any party-in-interest may file a claim objection to certain claims set forth in the Plan, the
 6 Debtor's schedules, or in the proofs-of-claims. These parties may file a claim objection.

7

- 8 • The Debtor
- 9 • The U.S. Trustee
- 10 • The Debtor's Post-Petition Secured Lender
- 11 • A Creditor of the Debtor.
- A Committee in this Chapter 11 Case.
- A Plan Proponent
- A Party having interest in assets included in the Estate.

12 **The deadline for filing a claims objection in this case is at any date prior to the date on
 13 which the Court enters the order approving this Disclosure Statement.** The party-in-interest
 14 may file a claims objection in the manner described in the Bankruptcy Rules of Procedure Rule 3007.

15 **IF YOU WISH TO FILE A CLAIMS OBJECTION, WE ADVISE THAT YOU SEEK
 THE ADVICE OF A BANKRUPTCY ATTORNEY OR AT LEAST, READ OVER
 BANKRUPTCY RULE 3007, AND PROCEED ACCORDINGLY.**

16 **2. THE DEBTOR RETAINS HIS RIGHTS TO OBJECT TO CLAIMS:**

17 The Debtor retains his right to object to claims, to object to proofs of claims, and otherwise
 18 contest any claim as the Code permits such objection.

19 **3. DISPUTED CLAIMS:**

20 A disputed claim is a claim that has not been allowed or disallowed by a final non-appealable
 21 order, and as to which either: (i) a proof of claim has been filed or deemed filed, and the Debtor or
 22 another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the
 23 Debtor has scheduled such claim as disputed, contingent, or unliquidated.

24 **Delay of Distribution on a Disputed Claim.** No distribution will be made on account of
 a disputed claim unless such claim is allowed by a final non-appealable order

25 **Settlement of Disputed Claims.** The Debtor will have the power and authority to settle and
 compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal
 26 Rules of Bankruptcy Procedure.

27 **iii. PROJECTED RECOVERY OF AVOIDABLE TRANSFERS:**

28 The Debtor does not intend to pursue preference, fraudulent conveyance, or avoidance
 actions at this time. The Debtor does not believe any significant transfers occurred during the two
 (2) year period leading up to the filing of this case. Importantly, the majority of the Debtor's
 significant transfer were the payment of the mortgages.

1 The Debtor reserves his right, however to perform and complete an investigation with regard
 2 to pre-petition transactions. Although he does not believe significant transfer occurred, creditors
 3 should be aware that if you received a payment or other transfer within ninety (90) days of the
 4 bankruptcy, or other transfer avoidable under the Bankruptcy Code, the Debtor may seek to avoid
 5 such transfer.

6 **V. CONFIRMATION OF THE PLAN.**

7 In order for a Plan to be effective and binding on the Debtor and his creditors, certain
 8 creditors must vote to approve or reject the Plan, and the Court must approve of the Plan after notice
 9 and a hearing.

10 **A. CONFIRMATION REQUIREMENTS**

11 To be confirmable, the Plan must meet the requirements listed in Section 1129(a) or (b) of
 12 the Bankruptcy Code. These include requirement that: (1) the Plan must be proposed in good faith;
 13 (2) the Plan must distribute to each creditor and equity interest holder at least as much as the creditor
 14 or equity interest holder would receive in a Chapter 7 liquidation case, unless the creditor or equity
 15 interest holder votes to accept the Plan;(3) the Plan must be feasible; (4) at least one impaired class
 16 of claims must accept the plan, without counting votes of insiders. These requirement are not the
 17 only requirements listed in Section 1129, and they are not the only requirements for confirmation.

18 **B. REQUIREMENT FOR CONFIRMATION-THE DEBTOR HAS PROPOSED HIS
 19 PLAN IN GOOD-FAITH**

20 The Debtor has proposed his Plan in good faith. Debtor's substantial mortgage payments
 21 have resulted in Debtor's inability to cover his expenses through incoming rental payment and
 22 personal income. Furthermore this set of circumstances has resulted in substantial arrears on the
 23 Debtor's primary residence. This Plan lowers the Debtor's debt obligation on the investment
 24 properties and cures any arrears on his primary residence. In his Plan the Debtor, to the best of his
 25 knowledge, has presented the facts honestly and completely. There is no evidence that the Debtor
 26 has abused the Bankruptcy laws in any way.

27 **C. THE "BEST INTERESTS OF THE CREDITORS" REQUIREMENT FOR
 28 CONFIRMATION- EACH CREDITOR WILL RECEIVE EQUAL OR GREATER
 29 COMPENSATION UNDER THE PROPOSED CHAPTER 11 PLAN THAN ITS
 30 COMPENSATION UNDER A HYPOTHETICAL CHAPTER 7 LIQUIDATION:**

31 To confirm the Plan, the Court must find that the Chapter 11 Plan is "in the best interest of
 32 the creditors." That is all creditors and equity interest holder who do not accept the Plan must
 33 receive at least as much under the Plan as such claim and equity interest holders would receive in
 34 a Chapter 7 Liquidation. **Exhibit C-The Debtor's Liquidation Analysis** shows that Creditors will
 35 receive as equal or greater compensation under the Debtor's proposed Chapter 11 Plan than under
 36 a hypothetical Chapter 7 liquidation. The Debtor's Plan is "in the best interest of the creditors," and
 37 it should be confirmed.

38 See **Exhibit C-The Debtor's Liquidation Analysis** for a detailed discussion regarding the "Best
 39 Interest of the Creditors" and the Liquidation analysis as it applies to each class of claims.

1 **D. THE PROPOSED PLAN IS FEASIBLE**

2 Pursuant to 11 USC 1129(a)(11), the Court must find that confirmation of the Plan is not
 3 likely to be followed by the liquidation, or need for further financial reorganization of the Debtor or
 4 any successor to the Debtor, unless such liquidation or reorganization is proposed in the Plan.
EXHIBIT E-THE DEBTOR'S FEASIBILITY ANALYSIS shows that the Debtor will meet his
 5 debt obligations under the Plan and that further reorganization or liquidation will not occur. Thus,
 6 the Plan is "in the best interest of the creditors" and it should be confirmed.

7 **SEE EXHIBIT E-DEBTORS' FEASIBILITY ANALYSIS** for a detailed discussion regarding
 8 the feasibility of the Plan.

9 **E. CONFIRMATION VOTING REQUIREMENTS AND PROCEDURES:**

10 **i. PARTIES WHO MAY VOTE TO ACCEPT OR REJECT THE PLAN
 11 AND WHO MAY OBJECT TO CONFIRMATION OF THE PLAN**

12 Any party-in-interest may object to the confirmation of the Plan if the Party believes that the
 13 requirements for confirmation are not met.

14 Many parties-in-interest, however, are not entitled to vote or accept or reject the Plan. A
 15 creditor or equity interest holder has a right to vote for or against the Plan only that creditor or equity
 16 interest holder has a claim or equity interest that is both (1) allowed (or allowed for voting purposes)
 17 and (2) impaired. As provided in Section 1124 of the Bankruptcy Code, a class is considered
 18 impaired if the Plan alters legal, equitable, or contractual rights of the members of that class.

19 In his case, the Debtor believes that Classes 1, 2, and 3 are impaired and that holders of
 20 claims in each of these classes are therefore entitled to vote to accept or reject the Plan.

21 **ii. PARTIES ENTITLED TO VOTE**

22 The following types of claim-holders are not entitled to vote:

- 23 • Holders of claims that have been disallowed by an order of the court;
- 24 • Holders of other claims that are not "allowed claims" (as discussed above) unless
 25 they have been "allowed" for voting purposes;
- 26 • Holders of claim in unimpaired classes
- 27 • Holder of claims entitled to priority pursuant to Sections 507(a)(2) or (a)(8) of the
 28 bankruptcy Code;
- 29 • Holders of claims in classes that do not receive or retain any value under the plan;
 30 and
- 31 • Administrative Expenses

32 Even if you are not entitled to vote on the Plan, you have the right to object to the
 33 confirmation of the Plan and to the adequacy of the Disclosure Statement.

34 **iii. PARTIES WHO CAN VOTE IN MORE THAN ONE CLASS**

35 A creditor whose claim has been allowed in part as a secured claim and in part as an
 36 unsecured claim, or who otherwise hold claims in multiple classes, is entitled to accept or reject a

1 Plan in each capacity and should cast one ballot for each claim.

2 **iv. VOTES NECESSARY TO CONFIRM THE PLAN:**

3 If an impaired class exists, the Court cannot confirm the Plan unless (A) at least one
 4 impaired class of creditors has accepted the Plan without counting the votes of any insiders within
 5 that class or (B) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be
 6 confirmed by “cram down” on non-accepting class as discussed below.

7 **1. VOTES NECESSARY FOR A CLASS TO ACCEPT THE PLAN:**

8 A class of claims accepts the Plan if both the following occur: (A) the holders of more than
 9 one-half ($\frac{1}{2}$) of the allowed claims in the class, who vote, cast their votes to accept the Plan, and
 10 (B) the holders of at least two thirds ($\frac{2}{3}$) in dollar amount of the allowed claims in the class, who
 11 vote, cast their votes to accept the Plan.

12 **2. TREATMENT OF NON-ACCEPTING CLASSES-“CRAM-DOWN”**

13 Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the
 14 Plan if the non-accepting classes are treated in the manner prescribed by §1129(b) of the Code. A
 15 plan that binds non-accepting classes is commonly referred to as a “cram-down” plan. The Code
 16 allows the Plan to bind non-accepting classes of claims or equity interest if it meets all the
 17 requirements for consensual confirmation except the voting requirements of §1129(b) (8) of the
 18 Code, does not discriminate unfairly, and is fair and equitable toward each impaired class that has
 19 not voted to accept the Plan. **YOU SHOULD CONSULT AN ATTORNEY IF A**
“CRAMDOWN” CONFIRMATION WILL AFFECT YOUR CLAIM OR EQUITY
INTEREST, AS THE VARIATIONS ON THIS GENERAL RULE ARE NUMEROUS AND
COMPLEX.

20 **VI. MEANS OF IMPLEMENTING THE PLAN**

21 **A. SOURCE OF PAYMENTS:**

22 Payments and distribution under the Plan will be funded by the Debtor, based upon their (a)
 23 projected monthly rental income, and (b) personal income from part-time employment and/ or
 24 temporary unemployment. The Debtor’s Cash Flow Analysis is attached hereto as **Exhibit D** and
 25 outlines the Debtor’s sources and used of income. The Plan payments described in this Disclosure
 26 Statement are based on the sum of the Debtor’s rental and personal income, minus her monthly
 27 mortgage payments, monthly reserves, and expenses for the property and personal expenses. The
 28 difference between the two amounts is the Debtor’s proposed monthly Plan payment of **\$368.67**

29 **B. METHOD OF PLAN PAYMENTS:**

30 Debtor will pay all distributions into a separate account on a monthly basis. Debtor will
 31 make dispersals from this account quarterly to all unsecured claimants, administrative claimants,
 32 and tax claimants. Upon time of dispersal, Debtor will mail payment of the claimants share of
 33 Monthly Disposable Income as well as an accounting of the current occupancy at Debtor’s
 34 properties at 537 and 529 Calcaterra Circle during the quarter for which the dispersals are made.

1 Debtor will make payments on secured Debts directly to the appropriate claim holder.

2

3 **C. DISTRIBUTION ON ACCOUNT OF CLAIMS ALLOWED AFTER THE**
EFFECTIVE DATE

4 Except as otherwise provided in the Plan, or upon the entry of a final, non-appealable order
 5 of the Bankruptcy Court, or as agreed to by the relevant parties, distributions under the Plan on
 6 account of a disputed claim that becomes an allowed claim after the effective date of the Plan shall
 7 begin on the regular monthly payment date, as established by the Disbursement Agent, which is at
 least thirty (30) days after such claim becomes an allowed claim.

8 Notwithstanding anything in the Plan to the contrary, and except as otherwise agreed to by
 9 the relevant parties, no partial payments and no partial distributions shall be made with respect to a
 10 disputed claim until all such disputes in connection with such disputed claim have been resolved
 11 by settlement among the parties or a final order of the Court. In the event that there are disputed
 claims requiring adjudication and resolution, Debtor shall establish appropriate reserves for
 potential payment of such Claims pursuant to the Plan.

12

13 **D. POST-CONFIRMATION MANAGEMENT**

14 The Debtor will manage his properties post-petition in the ordinary course. He will be
 15 authorized to enter into, terminate, and renew lease agreements as he sees fit. Such activities will
 16 include retaining management companies to aid in the renting of their property, drafting and serving
 17 eviction notices, negotiating loan modifications or refinancing their properties, repairing the
 properties and maintaining a reserve account of up to three month's mortgage payments, taxes,
 insurance and repair reserves, or \$10,000.00, whichever is greater.

18

19 **E. RISK FACTORS**

20 The significant risk related to the Debtor's Plan include the deterioration of the housing and/
 21 or rental market. If the rental market deteriorates and the Debtor's is unable to generate enough
 22 revenue via his monthly rental payments from tenants, the Debtor may become unable to make his
 23 Plan payments

24 Additionally if Arvind Agarwal cannot secure employment before his unemployment
 25 compensation runs out this will additionally effect the plan and possibly necessitate family
 contributions to the plan.

26

27 **F. TAX CONSEQUENCES**

28 **Creditors concerned with how the plan may affect their tax liability should consult
 with their own Accountants, Attorneys, and/or Advisors.**

The Debtor does not anticipate any adverse tax consequences to his estate from the Plan.
 To the extent the Debtor receives any debt forgiveness income related to this Chapter 11 case, such
 income would not be taxable under Section 108(a)(1) of the Internal Revenue Code, 26 U.S.C. §§1,
et seq

VII. EFFECT OF CONFIRMATION OF THE PLAN

A. Discharge of the Debtor

Confirmation of the Plan does not discharge any debt provided for in the Plan until the Court grants a discharge on completion of all payments under the Plan, or as otherwise provided in Section 1141(d)(5) of the Bankruptcy Code. The Debtor will not be discharged from any debt excepted from discharge under Section 523 of the Bankruptcy Code, except as provided in Rule 4007(c) of the Federal Rules of Bankruptcy Procedure.

B. Modification of the Plan

The Debtor may modify the Plan at any time before confirmation of the Plan. The Court however may require a new Disclosure Statement and/ or re-voting on the Plan.

The Debtor may also seek to modify the Plan at any time after confirmation only if (A) the Plan has not been substantially consummated and (B) the Court authorizes the proposed modification after notice and a hearing.

Upon request of any interested party, the Plan may be modified at any time after the confirmation of the Plan, but before the completion of payments under the Plan to (1) increase or reduce the amount of payments under the Plan on claims of a particular class, (2) extend or reduce the time period for such payments, or (3) alter the amount of distribution to a creditor whose claim is provided for by the Plan to the extent necessary to take on accounting of any payment of a claim made other than under the Plan.

Effective as of the date hereof and subject to the limitations and rights contained in the Plan: (a) the Debtor reserves the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan prior to the entry of the confirmation order; and (b) after the entry of the confirmation order, the Debtor or the reorganized Debtor, as applicable, may upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan; provided however that any modification to the Plan shall not affect the rights or treatment of holders of General Unsecured Claims.

C Final Decree

Once the estate has been fully administered, as provided in Rule 3022 of the Federal Rules of Bankruptcy Procedure, the Debtor, or such other party as the Court shall designate in the Plan confirmation order, shall file a motion with the Court to obtain a final decree to close the case. Alternatively, the Court may enter such a final decree on its own motion.

VIII. OTHER PLAN PROVISIONS

A. Vesting of Assets in the Reorganized Debtor

After the confirmation of the Plan, all property of the Debtor's shall vest in the reorganized

1 Debtor, free and clear of all liens, claims, charges, or other encumbrances, except those enumerated
 2 in the order approving the Motions to Value and the confirmation order. The reorganized Debtor
 3 may operate his business and may use , acquire, or dispose of property and compromise or settle
 4 any claims without supervision or approval by the Bankruptcy Court and free of any restrictions of
 5 the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the
 6 Plan and the Confirmation Order. Without limiting the foregoing, the Debtor shall pay the charges
 7 that he incurs after confirmation for professional fees, disbursements, expenses or related support
 8 services (including reasonable fees relating to the preparation of professional fee applications)
 9 without application to the Bankruptcy Court.

10 **B. Release of Liens, Claims, and Equity Interests**

11 Except as otherwise provided herein or in any contract, instrument, release, or other
 12 agreement or documented entered into or delivered in connection with the Plan, upon confirmation
 13 all liens, claims, mortgages, deeds of trust, or other security interest against the property of the
 14 Debtor's estate shall be fully released and discharged. The security interests of the Debtor first lien
 15 holders however shall be unimpaired under the Plan with respect to both the Debtor and his property
 16 taking into consideration the Motions to Value on the Debtor's property.

17 **C. Effectuating Document; Further Transactions; Exemption from Certain
 18 Transfer Taxes**

19 The Debtor may take all actions to execute, deliver, file or record such contracts,
 20 instruments, releases, and other agreements or documents and take such action as may be necessary
 21 or appropriate to effectuate and implement the provision of the Plan.

22 Pursuant to section 1146(a) of the Bankruptcy code, any transfer of property pursuant to the
 23 Plan shall not subject to any stamp tax or other similar tax or governmental assessment in the
 24 United States and the confirmation order shall direct the appropriate state or local governmental
 25 officials or agents to forgo the collection of any such tax or governmental assessment and to accept
 26 for filing and recordation instruments or other document pursuant to such transfers of property
 27 without the payment of any such tax or governmental assessment.

28 **D. Revocation of the Plan**

29 The Debtor reserves the right to revoke or withdraw the Plan prior to the confirmation
 30 hearing and to file subsequent Chapter 11 plans. If the Debtor revokes or withdraws the Plan or if
 31 confirmation does not occur, the (1) the Plan shall be null and void in all respects; (2) any
 32 settlement or compromise embodied in the Plan, assumption or rejection of Executory Contract or
 33 Unexpired Leases effected by the Plan and any document or agreement executed pursuant hereto
 34 shall be deemed null and void except as may be set forth in a separate order entered by the Court;
 35 and (3) nothing contained in the Plan shall:(a) constitute a waiver or release of any Claims by or
 36 against the Debtor or any other entity; (b) prejudice in any manner the rights of the Debtor or any
 37 other entity; or (c)constitute an admission, acknowledgment, offer or undertaking of any sort by the
 38 Debtor or any other entity.

39 **E. Successor and Assigns**

The rights, benefits, and obligations of any entity named or referred to herein shall be binding on and shall inure to the benefit of any heir, executor, administrator, successor or assign of such entity.

F. Reservation of rights

Except as expressly set forth herein, the Plan shall have no force or effect until the Court enters the confirmation order. Neither the filing of the Plan, any statement or provision contained in the Disclosure Statement, nor the taking of any action by the Debtor or any other entity with respect to the Plan shall be or shall be deemed to be an admission or waiver of rights of (1) any Debtor with respect to the holders of claims or other entity; or (2) any holder of a Claim or other entity prior to the effective date of the Plan.

G. Further Assurances

The Debtor or the reorganized Debtor, as applicable, all holders of Claims receiving distribution under the Plan and all other entities shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provision and intent of the Plan or the confirmation order

H. Severability

If prior to confirmation of the Plan any term or provision of the Plan is held by the Court to be invalid, void, or unenforceable, the Court shall have the power to alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable and such term or provision then will be applicable as altered or interpreted, *provided* that any such alteration or interpretation must be in form and substance reasonably acceptable to the Debtor, and to the extent such alteration or interpretation affects the rights or treatment of holders of general unsecured claims, such claim holder

I. Return of Security Deposits

Unless the Debtor agrees otherwise in a written agreement or stipulation approved by the Court, all security deposits provided by the Debtor to any person or entity at any time after the petition date shall be returned to the Debtor within twenty (20) days after the date of confirmation, without deduction or offset of any kind.

///

1 ///

2 **J. Filing of Additional Documents**

3 On or before the Effective Date, the Debtors may file with the Court all agreements and
4 other document that may be necessary or appropriate to effectuate and further evidence the terms
5 and condition hereof.

6 /s/Arvind Agarwal

7 Arvind Agarwal

8 /s/ Alka Agarwal

9 Alka Agarwal

10 /s/Thomas N. Beckom, Esq

11 THOMAS N. BECKOM, ESQ

12 Attorney for the Debtor and the Debtor in Possession

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2 **EXHIBIT A**
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1
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10 Attorney for Debtor, *Arvind and Alka Agarwal*

11 **UNITED STATES BANKRUPTCY COURT**
DISTRICT OF NEVADA

12 In re:
13
14 ARVIND AGARWAL and ALKA
AGARWAL,
15
16 Debtors.

Case No. 11-17763-lbr
Chapter 11
Hearing date: September 26, 2012
Time: 2:00pm

17 **SECOND AMENDED PLAN OF REORGANIZATION OF ARVIND AND ALKA**
AGARWAL

18 **ARTICLE I-SUMMARY**

19
20 This Plan of Reorganization (the “Plan”) under Chapter 11 of the Untied states Bankruptcy
21 Code, 11 USC §§101 *et seq* (the “**Bankruptcy Code**”) proposes to pay creditors of **ARVIND and**
22 **ALKA AGARWAL**, the above-captioned debtors and debtors-in-possession (the “**Debtors**”) from
the reorganization of his residential property and secured debt.

23
24 This Plan provides for 4 classes of secured claims; and 1 class of unsecured claims.
Unsecured creditors holding allowed claims will receive distributions, which the Debtor has valued
25 at approximately **\$368.67** per month of each creditor’s allowed claim to be distributed in their
respective shares. This Plan also provides for the payment of administrative and priority claims in
26 full on the effective date of this Plan, or as agreed by the holder of such administrative or priority
claim.

27
28 All creditors should refer to Article II through IV of this Plan for information regarding the
precise treatment of their claims. A Disclosure Statement (the “**Disclosure Statement**”) that
provides more detailed information regarding this Plan and the rights of creditors was circulated

1 with this Plan. Your rights may be affected. You should read these papers carefully and discuss
 2 them with your attorney. If you do not have an attorney, you may wish to consult one.

3

4 **ARTICLE II-CLASSIFICATION AND TREATMENT OF CLAIMS**

5 This Plan constitutes the Chapter 11 plan of reorganization of the Debtor. All Claims
 6 against the Debtor are placed in classes (each a "Class")

7 **A. Classification of Claims**

8 2.01 Class 1-Secured Claim of CITY NATIONAL BANK

9 (a) Classification: Class 1 consists of the Secured Claims of City National Bank against the
 10 Debtor's property located at 529 Calcaterra Circle, Las Vegas, NV 89119, which is secured
 11 by a lien against the Debtor's residential rental property, loan number xxxxxx-0019

12 (b) *Treatment:* The holder of an allowed Class 1 secured Claim shall be impaired and paid on
 13 a new principal loan amount of \$95,000.00 with a fixed interest rate of 5.00% for thirty
 14 years, amortized over thirty years, and monthly payments of \$787.80 with taxes and
 15 insurance impounded by the lender and included in this estimated payment.

16 (c) *Valuation:* Class 1 claims are valued at \$95,000.00

17 (d) *Unsecured Portion of the Claim:* Any amount of a Class 1(a) claim that is deemed to be
 18 unsecured in accordance with section 1(c) shall be afforded treatment set forth in Class 10
 19 below.

20 (e) *Voting:* Class 1 is an impaired class, and the holder of the Class 1(a) claim is entitled to
 21 vote to accept or reject the Plan

22 2.02 Class 2-Secured Claim of U.S. BANK

23 (a) Classification: Class 2 consists of the Secured Claim of U.S. Bank against the Debtor's
 24 investment property located at 537 Calcaterra Circle, Las Vegas, NV 89119, which is
 25 secured by a lien against the Debtor's residential rental property, loan number xxxxxx-6418

26 (b) *Treatment:* The holder of an allowed Class 2 secured Claim shall be impaired and Debtor
 27 will pay the principal balance of \$95,000.00 at a new interest rate of 5.00%. Debtor will
 28 make monthly payments in the amount of \$797.69 amortized over 30 years with taxes and
 29 insurance impounded by the lender and included in this estimated payment.

30 (c) *Valuation:* The Class 2 Secured Claim shall be valued at \$95,000.00.

31 (d) *Unsecured Portion of the Claim:* Any amount of a Class 2 claim that is deemed to be
 32 unsecured in accordance with section 1(c) shall be afforded treatment set forth in Class 10

1 below.

2 (e) *Voting:* Class 2 is an impaired class, and the holder of the Class 2 claim is entitled to vote
 3 to accept or reject the Plan

4 2.03 Class 3-Secured Claim of BANK OF AMERICA, SUCCESSOR BY MERGER TO
 5 BAC HOME LOANS SERVICING

6 (a) Classification: Class 3 consists of the Secured Claim U.S. Bank National Association
 7 against the Debtor's investment property located at 3370 South Pecos Rd, Las Vegas, NV
 8 89, which is secured by a lien against the Debtor's residential rental property.

9 (b) *Treatment:* The holder of an allowed Class 3 secured Claim shall be impaired and Debtor
 10 will pay the principal balance of \$94,000.00 at a new interest rate of 5.00%. Debtor will
 make monthly payments in the amount of \$623.66 amortized over 30 years with taxes and
 insurance impounded by the lender and included in this estimated payment.

11 (c) *Valuation:* Class 3 shall be valued at \$94,000.00

12 (d) *Unsecured Portion of the Claim:* : Any amount of a Class 3 claim that is deemed to be
 13 unsecured in accordance with section 3(c) shall be afforded treatment set forth in Class 10
 14 below.

15 (e) *Voting:* Class 3 is an impaired class, and the holder of the Class 3 claim is entitled to vote
 16 to accept or reject the Plan

17 2.04 Class 4-Secured Claim of BAC HOME LOANS SERVICING, L.P.

18 (a) Classification: Class 4 consists of the Secured Claim of BAC HOME LOANS SERVICING
 19 against the Debtor's investment property located at 1852 Arbol Verde Way, Las Vegas, NV
 89119, which is secured by a lien against the Debtor's residential rental property.

20 (b) *Treatment:* The holder of an allowed Class 4 secured Claim shall be impaired and Debtor
 21 will pay the principal balance of \$44,000.00 at a new interest rate of 5.00%. Debtor will
 22 make monthly payments in the amount of \$335.90 amortized over 30 years with taxes and
 insurance impounded by the lender and included in this estimated payment.

23 (c) *Valuation:* Class 4 shall be valued at \$44,000.00

24 (d) *Unsecured Portion of the Claim:* : Any amount of a Class 4 claim that is deemed to be
 25 unsecured in accordance with section 1(d) shall be afforded treatment set forth in Class 5
 26 below.

27 (e) *Voting:* Class 4 is an impaired class, and the holder of the Class 4 claim is entitled to vote
 28 to accept or reject the Plan

2.05 Class 5-Secured Claim of BANK OF AMERICA, N.A.

1 (a) Classification: Class 5 consists of the Secured Claim of BANK OF AMERICA N.A. against
 2 the Debtor's investment property located at 393 Greenleaf Drive, Las Vegas, NV 89121,
 which is secured by a lien against the Debtor's residential rental property.

3 (b) *Treatment:* The holder of an allowed Class 5 secured Claim shall be impaired and Debtor
 4 will pay the principal balance of \$100,000.00 at a new interest rate of 5.00%. Debtor will
 5 make monthly payments in the amount of \$677.70 amortized over 30 years with taxes and
 insurance impounded by the lender and included in this estimated payment.

6 (c) *Valuation:* Class 5 shall be valued at \$100,000.00

7 (d) *Unsecured Portion of the Claim:* : Any amount of a Class 1(e) claim that is deemed to be
 8 unsecured in accordance with section 1(e) shall be afforded treatment set forth in Class 5
 below.

9 (e) *Voting:* Class 5 is an impaired class, and the holder of the Class 5 claim is entitled to vote
 10 to accept or reject the Plan

12 2.06 Class 6-Secured Claim of AURORA LOAN SERVICES, LLC

13 (a) Classification: Class 6 consists of the Secured Claim of AURORA LOAN SERVICES
 14 against the Debtor's property located at 1582 Galea Dr., San Jose 95121, which is secured
 by a lien against the Debtor's residential property.

15 (b) *Treatment:* The holder of an allowed Class 6 secured Claim shall be unimpaired and Debtor
 16 will pay the principal balance of \$205,548.19 at a new interest rate of 5.00%. Debtor will
 17 make monthly payments in the amount of \$2,156.84 amortized over 30 years with taxes and
 insurance impounded by the lender and included in this estimated payment.

18 (c) *Valuation:* Class 6 shall be valued at \$205,548.19

19 (d) *Unsecured Portion of the Claim:* : Class 6 claims are deemed fully secured.

20 (e) *Voting:* Class 6 is an unimpaired class, and the holder of the Class 6 claim is not entitled
 21 to vote to accept or reject the Plan

23 2.07 Class 7-Secured Claim of BANK OF THE WEST

24 (a) Classification: Class 7 consists of the Secured Claim of BANK OF THE WEST against the
 25 Debtor's property located at 1582 Galea Dr., San Jose 95121, which is secured by a lien
 against the Debtor's residential property.

26 (b) *Treatment:* The holder of an allowed Class 7 secured Claim shall be impaired and will be
 27 bifurcated into a secured claim of \$116,451.81 and an unsecured claim of \$75,158.40 which
 will receive treatment in Class 10.

28 (c) *Valuation:* Class 7 shall be valued at \$116,451.81

1 (d) *Unsecured Portion of the Claim:* : Any amount of a Class 7 claim that is deemed to be
 2 unsecured in accordance with section 3 shall be afforded treatment set forth in Class 5 below.
 3
 4 (e) *Voting:* Class 7 is an impaired class, and the holder of the Class 7 claim is entitled to vote
 5 to accept or reject the Plan

2.08 Class 8-Secured Claim of REPUBLIC SERVICES

6 (a) *Classification:* Class 8 consists of the Secured Claim of REPUBLIC SERVICES.
 7
 8 (b) *Treatment:* The holder of an allowed Class 8 secured Claim shall be impaired and will be paid in full at a payment amount of \$5.28 a month for 60 months.
 9
 10 (c) *Valuation:* Class 8 shall be valued at \$316.78
 11
 12 (d) *Unsecured Portion of the Claim:* : Any amount of a Class 8 claim that is deemed to be unsecured in accordance with section 3 shall be afforded treatment set forth in Class 5 below.
 13
 14 (e) *Voting:* Class 8 is an impaired class, and the holder of the Class 8 claim is entitled to vote to accept or reject the Plan

2.08 Class 9-Secured Claim of GREENTREE HOMEOWNERS ASSOCIATION

15 (a) *Classification:* Class 9 consists of the Secured Claim of GREENTREE HOMEOWNERS ASSOCIATION against the Debtor's property located at 1852 Arbol Verde, Las Vegas, NV, which is secured by a statutory lien against the Debtor's residential property.
 16
 17 (b) *Treatment:* The holder of an allowed Class 9 secured Claim shall be impaired and be paid over 5 years in full, with a monthly payment of \$237.55 for 60 months.
 18
 19 (c) *Valuation:* Class 9 shall be valued at \$14,252.52
 20
 21 (d) *Unsecured Portion of the Claim:* : No amount of Class 9 will be deemed unsecured.
 22
 23 (e) *Voting:* Class 9 is an impaired class, and the holder of the Class 9 claim is entitled to vote to accept or reject the Plan

2.10 Class 10-General Unsecured Claims of the Debtors and Wholly Unsecured First & Second Lien Holder and General Unsecured Creditors

25 (a) *Classification:* Class 10 consists of general unsecured claims of the Debtors and the Wholly Unsecured Claims of the Debtors First & Second Liens Holders.
 26
 27 (b) *Treatment:* Holder of allowed General Unsecured Claims of the Debtors and Wholly Unsecured First & Second Lenders shall receive, in full and final satisfaction of such allowed Class 10 claims, their pro rata share of the Debtors monthly plan payments, which the Debtors estimates to be \$327.49 for 6 months and \$435.83 for 54 months.

1 (c) *Voting:* Class 10 is impaired and holders of Class 10 claims are entitled to vote to accept
2 or reject the plan.

3 2.11 Class 11-The Claim of City National Bank as to Debtor's Interest in the Pending Federal
4 Case 2:11-cv-01384-LDG-CWH Agarwal et al. V. Oregon Mutual Insurance Company

5 (a) *Classification:* Class 11 consists of the unsecured claim of City National Bank against any
6 settlement and/or judgment reached in the Pending Federal Case 2:11-cv-01384-LDG-CWH
7 Agarwal et al. V. Oregon Mutual Insurance Company

8 (b) *Treatment:* Debtor will placed any funds received from this case into a control account and
9 Debtor will be allowed to expense the account for any out of pocket expenses he has accrued
10 during the course of the rehabilitation of 529 Calcaterra Circle, Las Vegas, NV.

11 (c) *Voting:* Class 11 is impaired and holders of Class 11 claims are entitled to vote to accept
12 or reject the plan.

ARTICLE III

TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS, U.S. TRUSTEES FEES AND PRIORITY TAX CLAIMS

13 3.01 Unclassified Claims. In accordance with section 1123(a)(1) of the Bankruptcy Code,
14 administrative expense claims, and priority tax claims are not in classes.

15 3.02 Administrative Expense Claims. Each holder of an administrative expense claim allowed
16 under Section 503 of the Bankruptcy Code will be paid through a combination of a
17 prepetition retainer and through the Debtor's plan of reorganization. The Debtor's only
18 administrative claim to date is the claim of the Debtor's attorney, Callister & Associates.
19 The Debtor currently estimates that approximately \$35,000.00 in administrative expenses
20 have either accrued and/ or will accrue through the course of the litigation of this bankruptcy
21 . As such Debtor estimates that Debtor will pay \$463.34 per month for 60 months towards
22 these administrative expenses.

23 3.03 Priority Tax Claims. Each holder of a priority tax claim will be paid in full over 60 months
24 with plan payments as follows:

Creditor	Amount of Claim	Proposed Plan Treatment
Internal Revenue Service P.O. Box 7346 Philadelphia, PA 19101	\$3,513.60	Paid in full over 60 months with a Plan Payment of \$58.56 a Month
Internal Revenue Service P.O. Box 7346 Philadelphia, PA 19101	\$410.86	Paid in Full Over 60 Months with a Monthly Plan Payment of \$6.85

1	Clark County Treasurer 500 South Grand Central Pky PO Box 551220 Las Vegas, NV 89155	\$5,597.75	Paid in Full over 60 Months with a Monthly Plan Payment of \$93.30
4	Clark County Assessor P.O. Box 551401 Las Vegas, NV 89155	\$67.82	Paid in Full at the Outset of the Plan

6

7 3.04 United States Trustee Fees. All fees required to be paid by 28 USC §1930 will accrue and
8 be timely paid until the case is closed, dismissed, or converted to another chapter of the
9 Code. Any U.S. Trustee Fees owed on or before the effective date of this Plan will be paid
10 on the effective date. Debtor will maintain a reserve for the first 180 days post-confirmation
11 to pay for Trustee Fees until the case is closed. Estimated reserve payments are \$108.34 for
12 6 months until the case is closed.

13

14 **ARTICLE IV**
PROVISIONS FOR EXECUTORY CONTRACT AND UNEXPIRED LEASES

15 4.01 Assumed Executory Contracts and Unexpired Leases.

16 (a) The Debtor shall assume, on the effective date of this Plan, the executory contract and unexpired
17 leases listed on **Exhibit F** attached hereto. Listed on **Exhibit F** is also the Debtor's estimated cure
18 amount, if any, necessary to assume such contract in accordance with section 365 of the Bankruptcy
19 Code.

20 (b) The Debtor will be conclusively deemed to have rejected all executory contracts and/ or
21 unexpired lease not expressly assumed under section 4.01(a). A proof of a claim arising from the
22 rejection of an executory contract or unexpired lease under this section must be filed no later than
23 thirty (30) days after the date of the order confirming this Plan.

24 (c) The confirmation order shall constitute an order of the Bankruptcy Court approving such
25 assumptions pursuant to sections 365 and 1123 of the Bankruptcy Code as of the effective date of
26 this Plan. The Debtor reserves the right to amend **Exhibit F** at any time before the effective date.

27 (d) Any objection by a party to an executory contract or unexpired lease to the Debtor's proposed
28 assumption or any related cure amount set forth on **Exhibit F** must be filed, served, and actually
received by the Debtor at least five (5) days prior to the confirmation hearing of this Plan. Any party
to an executory contract or unexpired lease that fails to object timely to the proposed cure amount
will be deemed to have consented to such assignment of its executory contract or unexpired lease.
The confirmation order shall constitute an order of the Bankruptcy Court approving any proposed
assignments of executory contracts or unexpired lease pursuant to sections 365 and 1123 of the
Bankruptcy Code as of the Effective Date.

(e) In the even of a dispute regarding (I) the amount of any cure payment, (ii) the ability of the
Debtors to provide "adequate assurance of future performance" (within the meaning of section 365
of the Bankruptcy Code) under executory contract or unexpired lease to be assigned or (iii) any other

1 matter pertaining to assignment, the applicable cure payment required by section 365(b)(1) of the
 2 Bankruptcy Code shall be made following the entry of a final order or orders resolving the dispute
 3 and approving the assumption. If an objection to a cure amount is sustained by the Bankruptcy
 4 Court, the Debtor at his sole option may elect to reject such executory contract or unexpired lease
 5 in lieu of assuming and assigning it.

6 **ARTICLE V -MEANS FOR IMPLEMENTATION OF THE PLAN**

7 5.01 Source of Payment. Payments and distribution under the Plan will be funded by the Debtor,
 8 based upon his (a) projected monthly income and (b) projected rental income from his
 9 business. The Liquidation Analysis attached in the Disclosure Statement as **Exhibit C**,
 10 outlines the Debtor's sources and uses of income. The Debtor's monthly Plan payment shall
 11 be **\$1,300.67**

12 5.02 Method of Plan Payments

13 (a) Debtor will personally issue payment to all creditors on the contractual due date being the
 14 following month after Plan Confirmation.

15 (b) Except as otherwise provided in the Plan, or upon the entry of a final, non-appealable order
 16 of the Bankruptcy Court, or as agreed to by relevant parties, distributions under the Plan on
 17 account of a disputed claim that becomes an allowed claim after the effective date of the Plan
 18 shall begin on the regular monthly payment date.

19 (c) Notwithstanding anything in the Plan to the contrary, and except as otherwise agreed to by
 20 the relevant parties, no partial payments and no partial distribution shall be made with respect
 21 to a disputed claim until all such disputes in connection with such disputed claim have been
 22 resolved by settlement among the parties or a final order of the Bankruptcy Court.

23 5.03 Ownership of the Properties.

24 All properties will remain in the name of the Debtor.

25 5.04 Post-confirmation Management

26 _____ The Debtor will manage his properties post-petition in the ordinary course. He will be
 27 authorized to enter into, terminate renew lease agreements as she sees fit. Such activities will
 28 include retaining management companies to aid in the renting of his property, drafting and serving
 29 eviction notices, negotiating loan modifications or refinancing his properties, repairing the properties
 30 and maintaining a reserve account of up to one month's mortgage payments, or \$10,000; whichever
 31 is greater.

32 **ARTICLE VI** 33 **GENERAL PROVISIONS**

34 6.01 Definition and Rules of Construction

35 The definitions and rules of construction set forth in Sections 101 and 102 of the Bankruptcy

1 Code shall apply when terms defined or construed in the Bankruptcy Code are used in this Plan.

2 **6.02 Effective Date of the Plan**

3 _____ The effective date of this Plan is the eleventh business day following the date of entry of the
 4 confirmation order. But if a stay of the confirmation order is in effect on that date, the effective date
 5 will be the first business day after that date on which no stay of the confirmation order is in effect,
 provided that the confirmation order has not been vacated.

6 **6.03 Modification of the Plan**

7 _____ The Debtor may modify the Plan at any time before confirmation of the Plan. The Court
 8 however may require a New Disclosure Statement and/ or re-voting on the Plan. The Debtor may
 9 also seek to modify the Plan at any time after confirmation only if (A) the Plan has been substantially
 consummated and (B) the Court authorizes the proposed modification after notice and a hearing.

10 Upon request of any Party, the Plan may be modified at any time after confirmation of the
 11 Plan, but before the completion of payments under the Plan to (1) increase or reduce the amount of
 12 payments under the Plan on claims of a particular class, (2) extend or reduce the time period for such
 13 payments, or (3) alter the amount of distribution to a creditor whose claim is provided for by the Plan
 to extent necessary to take on accounting of any payment of a claim made other than under the Plan.

14 Effective as of the date hereof and subject to the limitations and rights contained in the Plan:
 15 (a) the Debtor reserves the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules,
 16 to amend or modify the Plan prior to the entry of the confirmation order; and (b) after the entry of
 17 the confirmation order, the Debtor may, upon order of the Bankruptcy Court, amend or modify the
 18 Plan, in accordance with section 1127(b) of the Bankruptcy Code or remedy any defect or omission
 to reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the
 purpose and intent of the Plan.

19 **6.04 Final Decree**

20 _____ Once the estate has been fully administered, as provided in Rule 3022 of the Federal Rules
 21 of Bankruptcy Procedure, the Debtor, or such other party as the Court shall designate in the Plan
 confirmation order, shall file a motion with the Court to obtain a final decree to close the case.
 Alternatively, the Court may enter such a final decree on its own motion.

23 **6.05 Vesting of Assets in the Reorganized Debtors and the Holding Company**

24 _____ After confirmation of the Plan, all property of the Debtor shall vest in the reorganized Debtor
 25 and the Holding Company, free and clear of all liens, claims, charges or other encumbrances, except
 26 those enumerated in the order approving the Motion to Value, Joint Stipulation, and the confirmation
 27 order. The reorganized Debtor may operate his business and may use, acquire, or dispose of property
 28 and compromise or settle any claims without supervision or approval by the Bankruptcy Court and
 free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions
 expressly imposed by the Plan and the Confirmation Order. Without limiting the foregoing, the
 Debtor shall pay charges that he incurs after confirmation for professionals' fees, disbursements,
 expenses or related support services (including reasonable fees relating to the preparation of

1 professional fee applications) without application to the Bankruptcy Court.

2 **6.06 Release of Liens, Claims and Equity Interests**

3 Except as otherwise provided herein or in any contract, instrument, release or other
 4 agreement or document enter into or delivered in connection with the Plan, when all plan payment
 5 have been made, all junior liens, claims, mortgages, deeds of trust, or other security interests against
 6 the property of the Debtor's estate shall be fully release and discharged. The security interests of the
 7 Debtor's first lien holders however, shall be unimpaired under the Plan with respect to both the
 Debtor and his property.

8 **6.07 Certificate of Incorporation and Bylaws**

9 _____ The articles of organization and bylaws (or other formation documents) of any holding
 10 company shall be amended as may be required to be consistent with the provisions of the Plan and
 the Bankruptcy Code or as otherwise required by, and in a form reasonably acceptable to the Debtor.

11 **6.08 Effectuating Documents; Further Transactions**

12 _____ The Debtor may take all actions to execute, deliver, file or record such contracts, instruments,
 13 releases and other agreements or documents and take such actions as may be necessary or appropriate
 14 to effectuate and implement the provision of the Plan.

15 **6.09 Exemption from Certain Transfer Taxes**

16 _____ Pursuant to section 1146(a) of the Bankruptcy Code, any transfers of property pursuant to
 17 the Plan shall not be subject to any stamp tax or other similar tax or governmental assessment in the
 18 United States, and the confirmation order shall direct the appropriate state or local governmental
 19 officials or agents to forgo the collection of any such tax or governmental assessment and to accept
 without the payment of any such tax or governmental assessment.

20 **6.10 Revocation of the Plan**

21 _____ The Debtor reserves the rights to revoke or withdraw the Plan prior to the confirmation
 22 hearing and to file subsequent Chapter 11 plans. If the Debtor revokes or withdraws the Plan, or if
 23 confirmation does not occur, then: (1) the Plan shall be null and void in all respects; (2) any
 24 settlement or compromise embodied in the Plan, assumption or rejection of Executory Contracts or
 Unexpired Lease effected by the Plan and any document or agreement execute pursuant hereto shall
 25 be deemed null and void except as may be set forth a separate order entered by the Court; and (3)
 nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims by or against the
 Debtor or any other entity; (b) prejudice in any manner the rights of the Debtor or any other entity;
 26 or (c)constitute an admission, acknowledgment, offer or undertaking of any sort by the Debtor or any
 27 other entity.

28 **6.11 Successors and Assigns**

_____ The rights, benefits and obligations of any entity named or referred to herein shall be binding

1 on, and shall inure to the benefit of any heir, executor, administrator, successor or assign of such
2 entity.

3 **6.12 Reservation of Rights**

4 _____ Except as expressly set forth herein, the Plan shall have no force or effect until the Court
5 enter the confirmation order. Neither the filing of the Plan, any statement or provision contained in
6 the Disclosure Statement, nor the taking of any action by a Debtor or any other entity with respect
7 to the Plan shall be or shall be deemed to be an admission or waiver of any rights of: (1) Debtors
8 with respect to the holder of claims or other entity; or (2) any holder of a Claim or other entity prior
9 to the effect date of the Plan.

10 **6.13 Further Assurances**

11 _____ The Debtor or the reorganized Debtor, as applicable, all holder of Claims receiving
12 distributions under the Plan and all other entities shall, from time to time, prepare, execute and
13 deliver any agreements or documents and take any other actions as may be necessary or advisable
14 to effectuate the provision and intent of the Plan or the confirmation order.

15 **6.14 Severability**

16 _____ If, prior to confirmation of the Plan, any term or provision of the Plan is held by the Court
17 to be invalid, void, or unenforceable, the Court shall have the power to alter and interpret such term
18 or provision to make it valid or enforceable to the maximum extent practicable, consistent with the
19 original purpose of the term or provision held to be invalid, void or unenforceable, and such term or
20 provision then will be applicable as altered or interpreted, *provided* that any such alteration or
21 interpretation must be in form and substance reasonable acceptable to the Debtor and to the extent
22 such alteration or interpretation affects the rights or treatment of holders of unsecured claims, such
23 claim holder.

24 **6.15 Return of Security Deposits**

25 _____ Unless the Debtor agrees otherwise in a written agreement or stipulation approved by the
26 Court, all security deposits provided by the Debtor to any person or entity at any time after the
27 petition date shall be returned to the Debtor within twenty (20) days after the date of confirmation,
28 without deduction or offset of any kind.

29 **6.16 Filing of Additional Documents**

30 _____ On or before the Effective date, the Debtor may file with the Court all agreements and other
31 document that may be necessary or appropriate to effectuate and further evidence the terms and
32 condition

33 **6.17 Captions**

34 _____ The headings contained in this Plan are for convenience of reference only and do not affect
35 the meaning or interpretation of this Plan.

36 ///

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2	///
3	///
	///

ARTICLE VII DISCHARGE

6 || 7.01 Discharge

7 Confirmation of this Plan does not discharge any debt provided for in this Plan until the court
8 grants a discharge on completion of all payments under this Plan, or as otherwise provided in
9 §1141(d)(5) of the Code. The Debtor will not be discharged from any debt excepted from discharge
under §523 of the Code, except as provided in Rule 4007(c) of the Federal Rules of Bankruptcy
Procedure.

Dated: September ___, 2012

Respectfully submitted,

Arvind Agarwal

Alka Agarwal

Exhibit B

Residential Property Owned by ARVIND and ALKA AGARWAL

529 Calceterra Circle
Las Vegas, NV 89119

Value: **\$95,000.00**

537 Calcaterra Circle
Las Vegas, NV 89119

Value as Asserted by Debtor: **\$95,000.00**

Value as Asserted by Claim Holder **\$140,000.00**

3370 South Pecos Rd.
Las Vegas, NV

Value: **\$94,000.00**

1852 Arbol Valley Way
Las Vegas, NV

Value: **\$44,000.00**

3939 Greenleaf Dr.
Las Vegas, NV 89121

Value: **\$100,00.00**

1582 Galena Dr
San Jose, CA 95121

Value: **\$325,00.00**

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EXHIBIT C

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LIQUIDATION ANALYSIS²

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A. OVERVIEW

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A chapter 11 plan cannot be confirmed unless the Bankruptcy Court determines that the plan is in the “best interests” of all holders of claims and interest that are impaired by the plan and that have not accepted the plan. The “best interests” test requires a Bankruptcy Court to find either that (I) all members of an impaired class of claims or interests have accepted the plan or (ii) the plan will provide a member who has not accepted the plan with a recovery of property of a value, as of the effective date of the plan, that is not less than the amount that such holder would recover if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code. The property in question here would have a liquidated value to its appraised value, less foreclosure costs and fees.

B. UNDERLYING ASSUMPTIONS AND DISCLAIMER

The liquidation analysis (the “Liquidation Analysis”) was prepared in connection with the filing of the Debtor’s Disclosure Statement and Plan. All valuations and debt encumbrances are based on orders of this court and Proof of Claims filed by the respective claim holders with the exception of 537 Calcaterra Circle, Las Vegas, NV which Debtors anticipate valuing at the time of Confirmation. It is worth noting that the automatic stay as to this asset has been vacated and the property is currently in the foreclosure process.

The Debtor has prepared this Liquidation Analysis based on a hypothetical liquidation under Chapter 7 of the Bankruptcy Code. The determination of the costs of, and proceeds from, the hypothetical liquidation of the Debtor’s assets in a chapter 7 case is an uncertain process involving extensive use of estimates and assumption that, although considered reasonable by the Debtor, are inherently subject to significant business, economic, and competitive uncertainties and contingencies beyond the control of the Debtor and his legal advisors. Inevitably, some assumptions in the Liquidation Analysis would not materialize in an actual Chapter 7 liquidation, and unanticipated events and circumstance could affect the ultimate results in an actual Chapter 7 liquidation.

It is assumed, among other things, that the hypothetical liquidation under Chapter 7 would commence under the direction of a court-appointed trustee and continue for a period of time, during which time all of the Debtor’s major assets would be sold or surrendered to his respective lien holders, and the cash proceeds, if any, net of liquidation related costs, would then be distributed to

²All capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Disclosure Statement. To the extent that a definition of a term in the text of this Exhibit C to this Disclosure Statement and the definition of such term in the Disclosure Statement is inconsistent, the definition included in the Disclosure Statement shall control.

1 creditors in accordance with relevant law.

2 THE LIQUIDATION ANALYSIS IS NOT INTEND AND SHOULD NOT BE USED FOR
 3 ANY OTHER PURPOSE. THE LIQUIDATION ANALYSIS DOES NOT PURPORT TO BE A
 4 VALUATION OF THE DEBTOR'S ASSETS AS A GOING CONCERN, AND THERE MAY BE
 5 A SIGNIFICANT DIFFERENCE BETWEEN THE LIQUIDATION ANALYSIS AND THE
 6 VALUES THAT MAY BE REALIZED IN AN ACTUAL LIQUIDATION. THIS ANALYSIS
 7 ASSUMES "LIQUIDATION VALUES" BASED ON APPRAISALS, WHERE AVAILABLE, AND
 8 THE DEBTOR'S BUSINESS JUDGMENT, WHERE APPRAISALS ARE NOT AVAILABLE.

9 THE UNDERLYING FINANCIAL INFORMATION IN THE LIQUIDATION ANALYSIS
 10 WAS NOT COMPILED OR EXAMINED BY AN INDEPENDENT ACCOUNTANTS. NEITHER
 11 THE DEBTOR NOR HIS ADVISORS MAKE ANY REPRESENTATION OR WARRANTY
 12 THAT THE ACTUAL RESULTS WOULD OR WOULD NOT APPROXIMATE THE
 13 ESTIMATES AND ASSUMPTIONS REPRESENTED IN THE LIQUIDATION ANALYSIS.
 14 ACTUAL RESULTS COULD VARY MATERIALLY. THIS ANALYSIS ASSUMES
 15 "LIQUIDATION VALUES" BASED ON APPRAISALS, WHERE AVAILABLE AND WHEN
 16 APPLICABLE, AND THE DEBTOR'S BUSINESS JUDGMENT, WHERE APPRAISALS ARE
 17 NOT AVAILABLE.

18 C. SUMMARY NOTES TO THIS LIQUIDATION ANALYSIS

19 The Liquidation Analysis should be read in conjunction with the following notes and
 20 assumptions:

- 21 1. Dependence on Unaudited Financial Statements. This Liquidation Analysis contains
 22 estimates that are still under review and it remains subject to further legal and
 23 accounting analysis.
- 24 2. Preference or Fraudulent Transfers. No recovery or related litigation costs attributed
 25 to any potential avoidance actions under the Bankruptcy Code, including potential
 26 reference or fraudulent transfer actions are assumed within this analysis due to, among
 27 other issues, anticipated disputes about these matters.
- 28 3. Duration of the Liquidation Process. The Debtor has assumed that the liquidation
 29 would involve very little operations. Thus this Liquidation Analysis assumes the
 30 liquidation would be completed within twelve (12) months. In an actual liquidation
 31 the wind down process and time period(s) could vary thereby impacting recoveries.
 32 For example, the potential for priority, contingent and other claims, litigation,
 33 rejection costs and the final determination of allowed claims could substantially
 34 impact both the timing and amount of the distribution of the asset proceeds to the
 35 creditors. Accordingly, there can be no assurance that the values reflected in this
 36 Liquidation Analysis would be realized if the Debtor was, in fact, to undergo such
 37 a liquidation.

1
2
3 **SUMMARY OF LIQUIDATION ANALYSIS (AS OF September 20, 2012)**
4

5 ARVIND AND ALKA AGARWAL
6 LIQUIDATION ANALYSIS
7

8 **Property 1**
9

10 529 Calcaterra Circle
11 Las Vegas, NV 89119

12 First Mortgage: \$196,928.16

13 Current Value: **\$95,000.00**

14 Negative Equity: (\$101,928.16)

15 **Property 2**
16

17 537 Calcaterra Circle
18 Las Vegas, NV 89119

19 1st Mortgage \$143,463.48

20 Current Value Asserted by the Debtors **\$95,000.00**

21 Current Value Assert by U.S. Bank¹ \$140,000.00

22 Negative Equity Asserted by Debtors (\$48,463.48)

23 Negative Equity Asserted by US Bank (\$3,463.48)

24 **Property 3**
25

26 3370 South Pecos Rd
27 Las Vegas, NV

28 1st Mortgage \$285,184.70

¹The Valuation of this particular asset is current the subject of a Motion to Value.

Debtors expect valuation to be resolved at the time of confirmation.

1	Current Value	<u>\$94,000.00</u>
2	Equity	(\$191,184.70)

3 **Property 4**

4 1852 Arbol Valley Way
 5 Las Vegas, NV 89119

6	1 st Mortgage	\$140,750.11
7	2 nd Mortgage	\$36,067.00

8	Current Value	<u>\$44,000.00</u>
---	---------------	---------------------------

9	Equity	(\$132,817.11)
---	--------	----------------

11 **Property 5**

12 3939 Greenleaf Way
 13 Las Vegas, NV 89121

14	1 st Mortgage	\$299,706.21
----	--------------------------	--------------

15	Current Value	<u>\$100,000.00</u>
----	---------------	----------------------------

16	Equity	(\$199,706.21)
----	--------	----------------

18 **Property 6**

19 1582 Galena Dr
 20 San Joe, Ca 95121

21	1 st Mortgage	\$205,548.19
----	--------------------------	--------------

22	2 nd Mortgage	\$191,610.21
----	--------------------------	--------------

23	Current Value	<u>\$325,000.00</u>
----	---------------	----------------------------

24	Equity	(\$72,158.40)
----	--------	---------------

25 **Chapter 7 Liquidation Costs:** Pursuant to section 726 of the Bankruptcy Code, the
 26 allowed administrative expenses incurred by a Chapter 7 trustee, including but not limited to
 27 expenses affiliated with selling the Debtor's assets, will be entitled to payment in full prior to any
 28 distribution to Chapter 11 administrative and other priority claims. As the Debtor is an individual
 it is anticipated that creditor's recoveries would be limited to the values of the property for the
 secured claimants minus the expenses of the sale of the property itself and any applicable priority
 professional fees. It is further estimated that the 2nd mortgage on Property 3 would be extinguished
 and unsecured debts would be unpaid.

EXHIBIT D

Dependence on Assumptions. The Cash Flow Analysis is based on a number of estimates and assumptions that, although developed and considered reasonable by the Debtor's advisors, are inherently subject to significant economic, business, and competitive uncertainties and contingencies beyond the control of the Debtor. The Cash Flow Analysis is also based on the Debtor's best judgment of how likely it is that he will be able to retain the same level of income throughout the life of his Plan and not have his workload and income reduced. Accordingly, there can be no assurance that the cash flow estimates reflected in this Cash Flow Analysis would be realized if the Debtor was unable to maintain her current income and actual results could vary materially and adversely from those contained herein.

Furthermore it is important to note that the Debtor currently has the automatic stay lifted on his property located at 537 Calcaterra Circle, Las Vegas, NV. Debtor has received a Notice of Default however is currently unaware of a date of Trustee Sale. Debtor is also involved in a dispute over valuation of 537 Calcaterra Circle, Las Vegas, NV. As such this Cash Flow Analysis shows alternate income and expenses based on (1) a retention of the asset at Debtor's valuation; (2) a retention of the asset at the Secured Creditor's Valuation; and (3) Cash Flow analysis if 537 Calcaterra Circle, Las Vegas, NV is sold.

For ease of reference this Exhibit is divided into sub parts as follows:

Exhibit D(1)- Cash Flow Analysis of Debtor's with Retention of 537 Calcaterra Circle at Debtor's Valuation of \$95,000.00

Exhibit D(2)- Cash Flow Analysis of Debtor's with Retention of 537 Calcaterra Circle at Secured Creditor's Valuation of \$140,000.00

Exhibit D(3)- Cash Flow Analysis of Debtor's with Loss of 537 Calcaterra Circle

1

2

3 **Exhibit D(1)**

4 **Cash Flow Analysis of Debtor's with Retention of 537 Calcaterra**

5 **Circle at Debtor's Valuation of \$95,000.00**

6 **DEBTOR'S CASH FLOW ANALYSIS**

7 **CURRENT INCOME AND EXPENSES**

8 **Monthly Income:**

Monthly Income (net after taxes):	\$4,450.00
Current Rental Income:	\$5,407.00 ¹
Plan Contributions from Family:	\$1,000.00 ²
Total Current Income:	\$10,857.00

12 **Prepetual Monthly Expenses Breakdown:**

13 **Personal Expenses**

1 st Mortgage	\$2,156.84
2 nd Mortgage	\$667.73
Cell Phone	\$150.00
Living Expenses	\$1,029.00
Medical and Dental	\$120.00
Transportation and Insurance	\$433.34
Recreation	\$150.00
Cable/ Internet/ Phone	\$120.00
Water	\$25.00
Trash	\$29.00
Electricity	\$140.00
Life Insurance	-----

23

24 ¹It is worth noting that 537 Calcaterra Circle and 529 Calcaterra Circle are both

25 commercial apartment units with six actual spaces available for rent. Currently the units are not

26 leased out at capacity. *See Ex. "F"* Typically these units rent out at \$375.00 per month. It is

27 possible that Debtor's disposable income might thereby increase above what is currently stated.

28 In that case Debtor will pay more money into the estate for the unsecured creditors based on full
occupancy.

23

24 ²Debtor contends that Debtor's Children are willing and able to supplement Debtor's

25 Monthly Income and Debtor asserts this is proper. *See In Re Cheatham* 91 B.R. 377 (NC 1988)

26 This will be done via "rent" payments to the Debtor from their children Aakash and Abhinay

27 Agarwal.

1	Charitable Contributions:	-----
2	Child Support	-----
3	Auto Payments	\$
3	<u>Total</u>	<u>\$5,020.91</u>

4 Prepetition Monthly Expenses:

5 Rental Property Expenses:

5	Property 1	\$1,168.61
6	Property 2	\$805.00
7	Property 3	\$1,030.89
8	Property 4	\$973.26
9	Property 5	\$1,326.89
10	Maintenance and Repair Reserves	\$300.00
11	Water and Sewer Service	\$345.00
12	Trash Service	\$134.00
13	Electric Bill	\$172.00
14	HOA Dues	\$210.00
15	<u>Total: Current Expenses</u>	<u>\$6,465.04</u>
16	<u>Personal Expenses (with Second Mortgage):</u>	<u>\$5,020.91</u>

13 _____

14 **Monthly Cash flow:** **(\$628.95)**

16 **POTENTIAL INCOME AND EXPENSES**

17 Monthly Income:

18	Monthly Income (net after taxes):	\$4,450.00
19	Current Rental Income:	\$5,407.00 ¹
20	Plan Contributions from Family:	\$1,000.00 ²

21 **Total Current Income:** **\$10,857.00**

23 _____

24 ¹It is worth noting that 537 Calcaterra Circle and 529 Calcaterra Circle are both
 25 commercial apartment units with six actual spaces available for rent. Currently the units are not
 26 leased out at capacity. *See Ex. "F"* Typically these units rent out at \$375.00 per month. It is
 27 possible that Debtor's disposable income might thereby increase above what is currently stated.
 In that case Debtor will pay more money into the estate for the unsecured creditors based on full
 28 occupancy.

²Debtor contends that Debtor's Children are willing and able to supplement Debtor's
 Monthly Income and Debtor asserts this is proper. *See In Re Cheatham* 91 B.R. 377 (NC 1988)
 This will be done via "rent" payments to the Debtor from their children Aakash and Abhinay
 Agarwal.

1 Monthly Expenses2 Rental Property Expenses

3 Property 1 ³	\$787.80
4 Property 2 ⁴	\$797.69
5 Property 3 ⁵	\$623.66
6 Property 4 ⁶	\$335.90
7 Property 5 ⁷	\$677.70
Maintenance and Repair Reserves	\$300.00
Water and Sewer Service	\$345.00
Trash Service	\$134.00
Electric Bill	\$172.00
HOA Dues	\$210.00

9 **Total: Potential Expenses:** \$4,383.15

10 _____
11 **Personal Expenses:** \$5,215.92

12 _____
13 **Cash Flow:** \$1,257.93

14 **Post-petition Monthly Personal Expenses Breakdown:**

15 1 st Mortgage	\$2,351.84
16 2 nd Mortgage	\$667.42
17 Cell Phone	\$150.00
18 Living Expenses	\$1,029.00
19 Medical and Dental	\$120.00
20 Transportation and Insurance	\$433.34
21 Recreation	\$150.00
22 Cable/ Internet/ Phone	\$120.00
23 Water	\$25.00
24 Trash	\$29.00
25 Electricity	\$140.00
26 Life Insurance	-----
27 Charitable Contributions:	-----
28 Child Support	-----

25 ³529 Calcaterra Circle, Las Vegas, NV 89119

26 ⁴537 Calcaterra Circle, Las Vegas, NV 89119

27 ⁵3370 South Pecos Rd., Las Vegas, NV

28 ⁶1852 Arbol Verde Way, Las Vegas, NV 89119

⁷3939 Greenleaf Dr., Las Vegas, NV 89120

1	Auto Payments	\$
2	<u>Total</u>	<u>\$5,215.92</u>

Exhibit D(2)

Cash Flow Analysis of Debtor's with Retention of 537 Calcaterra Circle at Debtor's Valuation of \$140,000.00

DEBTOR'S CASH FLOW ANALYSIS

CURRENT INCOME AND EXPENSES

Monthly Income:

Monthly Income (net after taxes):	\$4,450.00
Current Rental Income:	\$5,407.00 ¹
Plan Contributions from Family:	\$1,000.00 ²

12 **Total Current Income:** **\$10,857.00**

Prepetual Monthly Expenses Breakdown:

Personal Expenses

15	1 st Mortgage	\$2,156.84
16	2 nd Mortgage	\$667.73
17	Cell Phone	\$150.00
18	Living Expenses	\$1,029.00
19	Medical and Dental	\$120.00
20	Transportation and Insurance	\$433.34
21	Recreation	\$150.00
22	Cable/ Internet/ Phone	\$120.00
	Water	\$25.00
	Trash	\$29.00
	Electricity	\$140.00
	Life Insurance	-----

23
24 ¹It is worth noting that 537 Calcaterra Circle and 529 Calcaterra Circle are both
25 commercial apartment units with six actual spaces available for rent. Currently the units are not
26 leased out at capacity. *See Ex. "F"* Typically these units rent out at \$375.00 per month. It is
27 possible that Debtor's disposable income might thereby increase above what is currently stated.
28 In that case Debtor will pay more money into the estate for the unsecured creditors based on full
occupancy.

2 Debtor contends that Debtor's Children are willing and able to supplement Debtor's
Monthly Income and Debtor asserts this is proper. *See In Re Cheatham* 91 B.R. 377 (NC 1988)
This will be done via "rent" payments to the Debtor from their children Aakash and Abhinay
Agarwal.

1	Charitable Contributions:	-----
2	Child Support	-----
3	Auto Payments	\$
3	<u>Total</u>	<u>\$5,020.91</u>

4 Prepetition Monthly Expenses:

5 Rental Property Expenses:

5	Property 1	\$1,168.61
6	Property 2	\$805.00
7	Property 3	\$1,030.89
8	Property 4	\$973.26
9	Property 5	\$1,326.89
10	Maintenance and Repair Reserves	\$300.00
11	Water and Sewer Service	\$345.00
12	Trash Service	\$134.00
13	Electric Bill	\$172.00
14	HOA Dues	\$210.00
15	<u>Total: Current Expenses</u>	<u>\$6,465.04</u>
16	<u>Personal Expenses (with Second Mortgage):</u>	<u>\$5,020.91</u>

13 _____

14 **Monthly Cash flow:** **(\$628.95)**

15

16 **POTENTIAL INCOME AND EXPENSES**

17 Monthly Income:

18	Monthly Income (net after taxes):	\$4,450.00
19	Current Rental Income:	\$5,407.00 ¹
20	Plan Contributions from Family:	\$1,000.00 ²

21 **Total Current Income:** **\$10,857.00**

22

23 _____

24 ¹It is worth noting that 537 Calcaterra Circle and 529 Calcaterra Circle are both
 25 commercial apartment units with six actual spaces available for rent. Currently the units are not
 26 leased out at capacity. *See Ex. "F"* Typically these units rent out at \$375.00 per month. It is
 27 possible that Debtor's disposable income might thereby increase above what is currently stated.
 In that case Debtor will pay more money into the estate for the unsecured creditors based on full
 28 occupancy.

²Debtor contends that Debtor's Children are willing and able to supplement Debtor's
 Monthly Income and Debtor asserts this is proper. *See In Re Cheatham* 91 B.R. 377 (NC 1988)
 This will be done via "rent" payments to the Debtor from their children Aakash and Abhinay
 Agarwal.

1 Monthly Expenses2 Rental Property Expenses

3 Property 1 ³	\$787.80
4 Property 2 ⁴	\$1,039.69
5 Property 3 ⁵	\$623.66
6 Property 4 ⁶	\$335.90
7 Property 5 ⁷	\$677.70
Maintenance and Repair Reserves	\$300.00
Water and Sewer Service	\$345.00
Trash Service	\$134.00
Electric Bill	\$172.00
HOA Dues	\$210.00

9 **Total: Potential Expenses:** \$4,625.75

10 _____
11 **Personal Expenses:** \$5,215.92

12 _____
13 **Cash Flow:** \$1,015.33

14 **Post-petition Monthly Personal Expenses Breakdown:**

15 1 st Mortgage	\$2,351.84
16 2 nd Mortgage	\$667.42
17 Cell Phone	\$150.00
18 Living Expenses	\$1,029.00
19 Medical and Dental	\$120.00
20 Transportation and Insurance	\$433.34
21 Recreation	\$150.00
22 Cable/ Internet/ Phone	\$120.00
23 Water	\$25.00
24 Trash	\$29.00
25 Electricity	\$140.00
26 Life Insurance	-----
27 Charitable Contributions:	-----
28 Child Support	-----

25 ³529 Calcaterra Circle, Las Vegas, NV 89119

26 ⁴537 Calcaterra Circle, Las Vegas, NV 89119

27 ⁵3370 South Pecos Rd., Las Vegas, NV

28 ⁶1852 Arbol Verde Way, Las Vegas, NV 89119

⁷3939 Greenleaf Dr., Las Vegas, NV 89120

1	Auto Payments	\$
2	<u>Total</u>	<u>\$5,215.92</u>

Exhibit D(3)

Cash Flow Analysis of Debtor's with Loss of 537 Calcaterra Circle

DEBTOR'S CASH FLOW ANALYSIS

CURRENT INCOME AND EXPENSES

Monthly Income:

9	Monthly Income (net after taxes):	\$4,450.00
10	Current Rental Income:	\$5,407.00 ¹
11	Plan Contributions from Family:	\$1,000.00 ²

12 **Total Current Income:** **\$10,857.00**

Prepetual Monthly Expenses Breakdown:

Personal Expenses

15	1 st Mortgage	\$2,156.84
16	2 nd Mortgage	\$667.73
17	Cell Phone	\$150.00
18	Living Expenses	\$1,029.00
19	Medical and Dental	\$120.00
20	Transportation and Insurance	\$433.34
21	Recreation	\$150.00
22	Cable/ Internet/ Phone	\$120.00
23	Water	\$25.00
24	Trash	\$29.00
25	Electricity	\$140.00
26	Life Insurance	-----
27	Charitable Contributions:	-----

24 ¹It is worth noting that 537 Calcaterra Circle and 529 Calcaterra Circle are both
25 commercial apartment units with six actual spaces available for rent. Currently the units are not
26 leased out at capacity. *See Ex. "F"* Typically these units rent out at \$375.00 per month. It is
27 possible that Debtor's disposable income might thereby increase above what is currently stated.
In that case Debtor will pay more money into the estate for the unsecured creditors based on full
occupancy.

28 ²Debtor contends that Debtor's Children are willing and able to supplement Debtor's
Monthly Income and Debtor asserts this is proper. *See In Re Cheatham* 91 B.R. 377 (NC 1988)
This will be done via "rent" payments to the Debtor from their children Aakash and Abhinay
Agarwal.

1 Child Support	-----
2 Auto Payments	\$
2 <u>Total</u>	<u>\$5,020.91</u>

3 Prepetition Monthly Expenses:

4 Rental Property Expenses:

5 Property 1	\$1,168.61
6 Property 2	\$805.00
6 Property 3	\$1,030.89
7 Property 4	\$973.26
7 Property 5	\$1,326.89
8 Maintenance and Repair Reserves	\$300.00
9 Water and Sewer Service	\$345.00
9 Trash Service	\$134.00
10 Electric Bill	\$172.00
10 HOA Dues	\$210.00
11 <u>Total: Current Expenses</u>	<u>\$6,465.04</u>
11 Personal Expenses (with Second Mortgage):	<u>\$5,020.91</u>

12
13 **Monthly Cash flow:** (\$628.95)

15 **POTENTIAL INCOME AND EXPENSES**

16 Monthly Income:

17 Monthly Income (net after taxes):	\$4,450.00
18 Current Rental Income:	\$4,282.00 ¹
19 Plan Contributions from Family:	\$1,000.00 ²

20 **Total Current Income:** **\$9,732.00**

22 Monthly Expenses

23 Rental Property Expenses

24 ¹It is worth noting that 529 Calcaterra Circle is a commercial apartment unit with six
25 actual spaces available for rent. Currently the unit is not leased out at capacity. *See Ex. "F"*
26 Typically these units rent out at \$375.00 per month. It is possible that Debtor's disposable
27 income might thereby increase above what is currently stated. In that case Debtor will pay more
money into the estate for the unsecured creditors based on full occupancy.

28 ²Debtor contends that Debtor's Children are willing and able to supplement Debtor's
Monthly Income and Debtor asserts this is proper. *See In Re Cheatham* 91 B.R. 377 (NC 1988)
This will be done via "rent" payments to the Debtor from their children Aakash and Abhinay
Agarwal.

1	Property 1 ³	\$787.80
2	Property 3 ⁴	\$623.66
3	Property 4 ⁵	\$335.90
4	Property 5 ⁶	\$677.70
5	Maintenance and Repair Reserves	\$300.00
6	Water and Sewer Service	\$345.00
	Trash Service	\$134.00
	Electric Bill	\$172.00
	HOA Dues	\$210.00

7 **Total: Potential Expenses:** **\$3,586.06**

9 **Personal Expenses:** **\$5,215.92**

11 **Cash Flow:** **\$930.02**

12 **Post-petition Monthly Personal Expenses Breakdown:**

13	1 st Mortgage	\$2,351.84
14	2 nd Mortgage	\$667.42
15	Cell Phone	\$150.00
16	Living Expenses	\$1,029.00
17	Medical and Dental	\$120.00
18	Transportation and Insurance	\$433.34
19	Recreation	\$150.00
20	Cable/ Internet/ Phone	\$120.00
21	Water	\$25.00
22	Trash	\$29.00
23	Electricity	\$140.00
24	Life Insurance	-----
25	Charitable Contributions:	-----
26	Child Support	-----
27	Auto Payments	\$
28	<u>Total</u>	<u>\$5,215.92</u>

26 ³529 Calcaterra Circle, Las Vegas, NV 89119

27 ⁴3370 South Pecos Rd., Las Vegas, NV

28 ⁵1852 Arbol Verde Way, Las Vegas, NV 89119

⁶3939 Greenleaf Dr., Las Vegas, NV 89120

1

EXHIBIT E

2

FEASIBILITY ANALYSIS

3

ARVIND AND ALKA ARGARWAL

4 The court must find that confirmation of the Plan is not likely to be followed by the
 5 liquidation, or the need for further financial reorganization, of the Debtor or any successor to the
 6 Debtor, unless such liquidation or reorganization is proposed in the Plan.

7 **A. DEBTOR HAS THE ABILITY TO FUND THE PLAN AND TO MAKE FUTURE**
 8 **PLAN PAYMENTS AND OPERATE WITHOUT FURTHER**
 9 **REORGANIZATION.**

10 **i. The Debtor is able to fund the initial costs that will be assessed on the**
 11 **effective date of the Plan.**

12 Pursuant to the initial plan of reorganization, the Debtor will not need any initial funds to
 13 fund the plan therefore the issue of funds of the date of the plan will be a non issue.

14 **ii. The Debtor will be able to fund the plan throughout the life of the Plan.**

15 The Debtor's Cash Flow Analysis shows that the Debtor will have an average gross
 16 income of approximately \$119,100.00 per calendar year for the life of the Plan. Debtor is
 17 currently receiving \$4,4500.00 a month in a combination of employment income and temporary
 18 unemployment benefits. Debtor, Arvind Agarwal, is currently pursuing employment
 19 opportunities in order to continue to fund the plan.

20 With this net income in combination with the successful job search of Arvind Agarwal,
 21 the Debtor has a reasonable ability to absorb additional unforeseen costs or unforeseen losses of
 22 income in order to fund the Plan throughout the Plan's life without further reorganization.
 23 Furthermore Debtor has devoted an amount of \$300.00 a month for a repair serve on his rental
 24 units. This will further insulate the Debtor from any unforeseen vacancies and/ or repairs.

25 **YOU SHOULD CONSULT WITH YOUR ACCOUNTANT OR OTHER**
 26 **FINANCIAL ADVISOR IF YOU HAVE ANY QUESTIONS PERTAINING TO THESE**
 27 **PROJECTIONS.**

28 **B. MEASURES TAKEN TO MINIMIZE THE RISKS TO DEBTOR'S**
 29 **SUCCESSFUL REORGANIZATION.**

30 **i. The Debtor has successfully obtained lower values for their Real Property**
 31 **burdened by Class 1 Claims.**

32 Based on the Motion to Value and the Stipulations obtained, debtor has reduced the
 33 amount of his monthly mortgage payment and this will allow him to get his rental business.
 34 While it is true that the Debtor does have a lingering issue concerning the Valuation of 537
 35 Calcaterra Circle, Debtor intends to value this property at the time of confirmation and
 36 furthermore, regardless of whether the Debtor applies the lower valuation of the Debtor or the

1 higher valuation of U.S. Bank, Debtor has reduced the mortgage payment on this property.

2 **ii. The Debtor can still fund the plan if 537 Calcaterra Circle is lost at a**
3 **Foreclosure Sale.**

4 As can be seen in Exhibit D(3); if 537 Calcaterra Circle is lost to the Debtor, then the
5 Debtor still has enough disposable income to fund the plan.

6 **THE DEBTOR WILL KEEP A RESERVE OF CASH TO PAY FOR REPAIRS ON HER**
7 **INVESTMENT PROPERTIES AND/ OR TO PAY MORTGAGE AND UTILITIES**
8 **WHEN THEIR PROPERTIES ARE VACANT.**

9 The Debtor will maintain a cash reserve to pay for expensive unforeseen repairs to her
10 real properties. This will be fund via a \$300.00 dedicated payment to cash reserves as part of
11 their rental business and fully accounted for in her monthly cash flow analysis. As is customary
12 in the rental business, something in the Debtor's rental properties may suddenly break down (for
13 example, plumbing pipes or air conditioning systems), and this may force the Debtor to
14 immediately pay for repairs in order to keep the property habitable for Debtor's tenants. To
15 further minimize this risk, the Debtor keeps her properties in good repair, and she has obtained
16 the necessary insurances. Furthermore, Debtor is renting these properties to responsible tenants
17 who take care of the property. Debtor also maintains Home Warranty Insurance on the property
18 in the event of an unforseen need for a repair.

19 This reserve will also be used to pay the mortgage and operational expenses when the
20 properties are vacant. It will also be used to quickly obtain responsible tenants to rent the
21 property. To further minimize this risk, the Debtor has leased the properties to responsible
22 tenants who have stable jobs and who have a long record of timely monthly payments.

23

24

25

26

27

28

EXHIBIT F

Leases and Executory Contracts to be Assumed Pursuant to the Plan

ARVIND AND ALKA AGARWAL

529 Calceterra Circle Las Vegas, NV 89119

Lease with Andres Villareal
Apartment F
October 15, 2012 until October 15, 2013
Rent Paid: \$357.00 per month

Lease with Oscar Alejandro Millan
Apartment E
May 1, 2012- October 1, 2012
Rent Paid: \$325.00 per month

Yesenia Alcocer
Apartment "C"
Month to Month Tenancy
Rent Paid: \$375 per month

Lease with Shirley Fosher
Apartment "B"
Month to Month Tenancy
Rent Paid: \$375.00

Monthly Income: \$1,432.00

537 Calcaterra Circle Las Vegas, NV 89129

Lease with Nancy Shonk
Apartment "C"
July 1, 2012 to January 1, 2013
Rent Paid: \$375.00

Lease with Robert Burnard
Apartment "D"
September 5, 2012 until September 5, 2013
Rent Paid: \$375.00 per month

Lease with Jorge Luis Mora

1 Apartment "B"
2 Month to Month Tenancy
2 Rent Paid: \$375.00

3 Month to Month
4 Lease with Current Lessees as of Date of Plan Confirmation
5 Monthly Income: \$1,125.00

6 **3939 Greenleaf Dr.**
7 **Las Vegas, NV 89120**

8 Lease with Michele Bard⁷
9 July 1, 2012 to July 1, 2013
9 Rent Paid: \$1,075.00

10 Lease with Current Lessee as of Date of Plan Confirmation
11 Monthly Income: \$1,075.00

12 **3370 South Pecos Rd**
13 **Las Vegas, NV**

14 Julia Juarez-Ferdin and Luis Juarez
15 Month to Month Tenancy
15 Rent Paid: \$900.00

16 Lease with Current Lessee as of Date of Plan Confirmation
17 Monthly Income: \$900.00

18 1852 Arbol Verde Way
19 Las Vegas, NV 89119

20 Lease with Pesoz Martinez
21 June 1, 2012 until June 1, 2013
21 Rent Paid: \$875.00

22 Monthly Income: \$875.00
23

24

25

26

27

28

⁷This tenant has currently broken the lease and vacated the property. Debtor expects to have a new tenant by September 31, 2012 at the above stated Rental Rate.

EXHIBIT G

HOW “CRAM-DOWN” UNDER 11 U.S.C. §1129 MAY BE APPLIED TO CERTAIN CREDITORS OF THIS CASE

ARVIND AND ALKA AGARWAL

Under the “cram down” provision of 11 U.S.C. §1129, a class of creditors who do not accept the Plan may be forced to abide by the Plan if the Plan does not “discriminate unfairly” and is “fair and equitable” toward the class of creditors who did not vote to accept the Plan.

The Debtor believes that there may be a need to “cram-down” the interest of creditors in Class 3, and maybe some of the creditors in Class 1. There may be a need to “cram-down” the interests of the general unsecured creditors in Class 3 if they vote to not accept the Plan. If so, under the “cram-down” these creditors will each receive their pro-rata share of the Debtor’s monthly payment of \$1,300.67 over 60 months under the Plan. This proposed treatment does not discriminate unfairly and is fair and equitable because each and all creditors will receive a share proportional to the value of their claim as related to the total value of all Class 5 claims.

The “cram-down” of Class 1 claims may happen if the Class 1 Claim vote§1111(b) election, the claim will be entirely secured to the value of their lien according to the claimant’s proof-of-claim or the Debtor’s schedules. The “cram-down” will apply to the interest-rate which the Debtor will pay at 0.00%. If a Class 1 claimant does not make an §1111(b) election, the Plan will “cram down” the Class 1 claim according to the lower principal balance, and possibly the lower interest-rate and longer term as designated in the Plan. The Class 1 claimant will also have a deficiency claim for the unsecured deficiency portion of its claim against the Debtor. If there is a “cram-down” of this Class, it will not discriminate unfairly and will be fair equitable toward the Class. Under a “cram-down”, each Class 1 claimant will receive the same treatment proportional to their claim if they make their §1111(b) election. Each Class 1 claimant will also receive the same treatment proportional to their claim if they do not make their §1111(b) election.

YOU SHOULD CONSULT YOUR OWN ATTORNEY IF A "CRAM-DOWN" CONFIRMATION WILL AFFECT YOUR CLAIM OR EQUITY INTEREST, AS THE VARIATION ON THIS GENERAL ARE NUMEROUS AND COMPLEX.